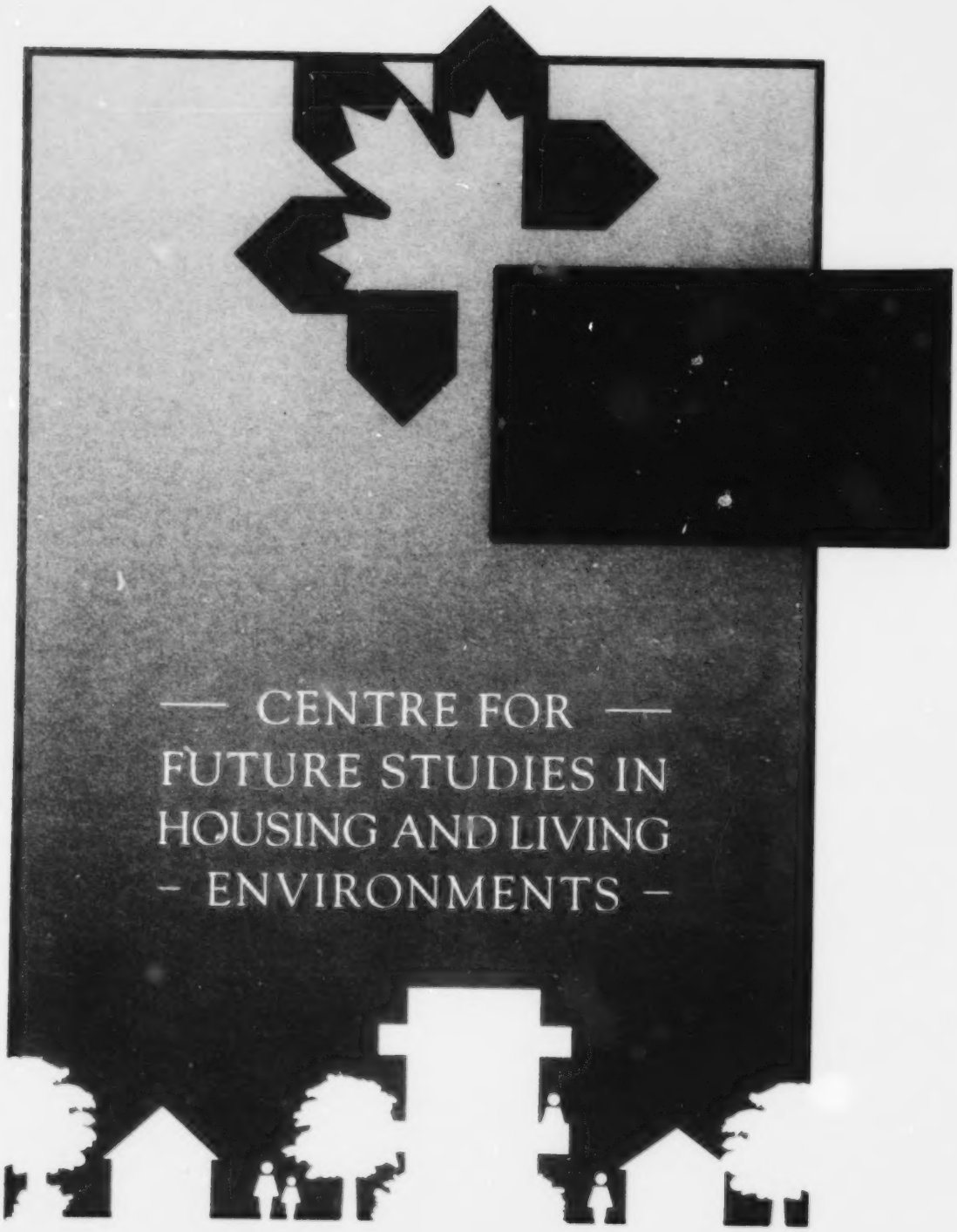

— CENTRE FOR —
FUTURE STUDIES IN
HOUSING AND LIVING
- ENVIRONMENTS -

NHA 6336

HEALTH AND WELFARE'S REVIEW OF DEMOGRAPHY: THE IMPLICATIONS FOR HOUSING AND LIVING ENVIRONMENTS

Prepared for:

The Centre for Future Studies in
Housing and Living Environments,
Canada Mortgage and Housing Corporation

Authors:

Hussein Rostum and

Eliane Thonney

TEEGA Research Consultants Inc.

May 1991

92-04652/

TABLE OF CONTENTS

		Page
	ACKNOWLEDGMENT	iii
	SUMMARY	iv
I.	INTRODUCTION	1
1.1	Background	1
1.2	Objective	1
1.3	Issues and General Framework	1
II.	FINDINGS OF THE REVIEW	4
2.1	Household and Family Structures	4
2.2	Population and Economic Growth	6
2.3	Regional Development and Migration	8
2.4	Changing Character of the Society	10
2.5	International Population Movement	12
III.	LIVING ENVIRONMENTS : IMPLICATIONS	14
3.1	Urbanization	14
3.2	Rural Environments	16
3.3	Regional Development	18
3.4	Immigration	19
3.5	Multicultural Character	22
3.6	Linguistic Make-up	24
3.7	Social Services	27
3.8	Economic Effects	32
IV.	HOUSING : IMPLICATIONS	36
4.1	Households and Families	36
4.2	Consumer Demand and Housing Requirements	39
4.3	Housing Needs	41
4.4	Market Activity	43
4.5	Construction Industry	45
4.6	Financing	47
	APPENDIX A : DEMOGRAPHIC TRENDS	49
A.1	Decline in Population Growth	50
A.2	Natural Increase	52
A.3	Immigration	53
A.4	International Comparisons	56
A.5	Aging of the Population	57
A.6	Change in Household Type and Size	59
A.7	Sex Distribution	62
A.8	Regional Patterns	63
A.9	Urban and Rural Redistribution	65
A.10	Ethnic Composition	67
A.11	Language Abilities	68
A.12	Incomes and Expenditures	69
A.13	Working Age Population	73
A.14	Females in the Labour Force	74
A.15	Projections	75
	APPENDIX B : LIST OF REVIEW PAPERS	78

ACKNOWLEDGMENT

I would like to thank Steve Pomeroy of the Centre for Future Studies in Housing and Living Environments, CMHC, for his encouraging comments and constructive suggestions which have led to an improved final version of this report.

Hussein Rostum
Ottawa

SUMMARY

OBJECTIVE

The objective of this study is to probe the twenty-six research papers prepared for the Review of Demography and to identify and discuss implications of the Review findings for housing and living environments.

ISSUE AREAS

The Review involved papers prepared by scholars from across Canada. Generally, these studies focused on five key issue areas as set out by the Review Secretariat :

- *changing household and family structures*
- *population growth and economic growth*
- *regional development and migration*
- *changing character of the Canadian society*
- *international population movement.*

Within each of these general issue areas specific topics and relevant trends were studied by the researchers. The Review, however, did not directly address the effects of demographic changes on housing or living environments as such, although much of the work has important implications in this regard.

OUTLINE

In this report a synopsis of the Review findings is first presented, followed by a section on the implications of the findings for living environments and a section on the implications for housing. In addition, a separate analysis of the main demographic trends is presented in an appendix, as a background for discussion on the implications. ***The following summary provides only selected highlights of points which are discussed in more detail in the report.***

FINDINGS [1]

Household and Family Structures

- *Upheavals in the traditional family framework of one bread-winner and one-homemaker have led to new adult lifestyles which are having repercussions on the lives of children. The major changes in family patterns which have occurred during the past three decades are : increased marital instability, reduced family size, higher divorce rate, greater occurrence of single-parenting, much higher incidence of families with both parents in the labour force, and delay in child bearing to later in life.*

- *The proportion of the population living alone has tripled since 1921. This increase is consistent across most adult age-sex categories, but is greatest among older women.*

- *Lone-parent families, childless couples, and two-earner families now account for a major proportion of Canadian families, while the once-dominant one-bread-winner family has been reduced to a minority position.*

- *Participation of women in the labour force has increased dramatically during the past two decades. Women's progress in employment, however, has not been accompanied by similar gains in their economic situation. Incomes of females mostly remain lower than males, and while job opportunities and career variety have increased for women, relatively more of these jobs and careers are in lower-paid occupations.*

- *Household formation data over the past three decades indicate that young households have increased substantially during the 1960s, 1970s and 1980s. The rate of growth of households headed by persons aged 15 to 24 and 25 to 34 is markedly higher than for households headed by persons aged 35 and over.*

Population and Economic Growth

- *Fertility changes over the past half-century have been the dominant demographic influence and are the major determinant of the present age structure of the population.*

- *Lower fertility rates and the trend towards smaller families mean that the proportion of elderly people in the population will continue to increase well into the next century.*

- *Possible long-term impacts on the economy as a result of the inevitable changes in the age structure of the population and in family sizes include: a declining rate of growth of the gross national product, a lower rate of saving, a falling real rate of interest, an increasing ratio of capital stock to output, and higher levels of average labour productivity.*

For specific references to research papers, regarding Review findings, see Section II and Appendix B of this report.

Regional Development and Migration

- *Provinces with high out-migration rates are also those with below average personal incomes and decline in their shares of the national income.*

- *Regional development programs by successive Canadian governments have mostly focused on supporting initiatives which enhance local job opportunities.*

- *Migration, however, has to be understood within the context of local social as well as economic dynamics. One Review study concludes that it is because of various social factors that we see many people choosing to stay in some communities, many that leave choose to return, and some outsiders moving into the communities to live.*

- *Beyond a government economic assistance approach, therefore, a comprehensive social development policy is recommended to properly address the problems of small communities -- especially those which have low propensity for out-migration yet also face problems of high unemployment, low levels of education attainment, high dependence on welfare and increased social breakdown.*

- *Projections of the Review suggest that the urbanization process will continue to occur into the twenty-first century. However, much of the growth of urban areas in the future will likely come from immigration and inter-urban migration. This implies competition between urban centres and differential growth patterns within the overall urban system.*

Changing Character of the Society

- *It was observed by Review researchers that by the year 2006 there will be a dramatic increase in the proportion of the population which is elderly. Moreover, there will be a similarly significant decline in the proportion of the population which is under twenty. Thus, the structure of demographic dependency will alter, with the elderly accounting for increasingly more of the dependent population.*

- *Communities with a high proportion of the population being elderly will tend to be more vulnerable to public policies and will constitute a more significant component of income security and social assistance programs.*

- *The ethnic composition of Canada has been changing substantially since the Second World War, primarily through immigration. Not only have the numbers of immigrants fluctuated from year to year but also their ethnic origins, shifting from predominantly European origins to predominantly Asian, Central and South American, and African origins.*

- *In spite of the ethnic diversification of Canada there has not been a marked change in the linguistic duality of the country. While the decrease in French-origin Canadians has been a significant trend since 1951, the proportion of the Canadian population who speak French has not*

decreased -- this is primarily because the proportion of Canadians who are bilingual in the two official languages has increased from 12 per cent in 1951 to 16 per cent in 1986.

- *Immigration has several important effects on the socio-demographic character of the Canadian population. Immigration has an impact on the geographic distribution of the population. Most immigrants tend to settle in the larger urban centres, thereby contributing to the urbanization process. Immigrants on average have higher levels of education and skills than the average Canadian. In terms of official languages of Canada, immigration has tended to benefit the English more than the French. Immigration also plays a key role in terms of increasing the visible minority component of the Canadian population.*

International Population Movement

- *The world is currently undergoing dramatic social and political adjustments and this will likely mean that the number of potential immigrants to Canada will continue to rise over the next several years. A high proportion of Third World immigrants is certain in future inflows.*

- *Canada seems assured of an ample supply of well-educated English speaking immigrants, but will likely have some problems attracting well-educated Francophone immigrants.*

- *Canadian society will continue to face significant challenge in seeking ways to avoid conflict between racial, linguistic and ethnic groups as the total number of non-European immigrants and their descendants increase.*

LIVING ENVIRONMENTS : IMPLICATIONS

Urbanization

- *The projected decline of the population growth rate in Canada implies that many cities, particularly the smaller ones, will not grow or will grow at a falling pace -- over the long term.*

- *The major metropolitan areas will probably continue to draw most of the new immigrants, and attract young, job-seeking Canadians away from the economically less diversified regions.*

- *Projecting the relative distribution of future population growth across Canadian urban areas is an important research project to consider -- particularly to identify future inter-urban movement of population, and to determine factors which influence demographic patterns in urban areas under various economic circumstance -- e.g., recession.*

- *One implication of declining urbanization could be a resurgence of central city districts.*

Rural Environments

- *As the process of urbanization continues, albeit at a slowing pace, and as the growth of Canada's technological capabilities expand further, closer physical linkages between most areas in the country will result. More of the benefits of city living will be accessible to rural communities. This will narrow some of the differences between urban and non-urban life and most likely increase the attractiveness of rural environments for some segments of the population.*

- *Offsetting any trend towards rural communities, however, are powerful social and economic forces pushing and pulling the younger population towards the larger urban areas. The 1991 Census is likely to yield some interesting results on recent patterns of migration of young Canadians, and provide insights on likely future changes.*

- *When data from the 1991 Census become available, it will be appropriate to re-examine urban to non-urban migration trends, the socio-demographic characteristics of migrants (e.g., age, education, occupation), and the possible national economic consequences of population change in non-urban areas.*

Regional Development

- *The general implication for regional development, arising out of research carried out by the Review, is that the slow-down of population growth and the aging of the population in Canada, over the next two decades, will likely have an accentuating effect on regional disparities, both between and within provinces.*

Immigration

- *The changes in the origin of immigrant streams to Canada which have occurred over the past 20 years or so, have had a gradually increasing impact on the racial, ethnic and cultural composition of Canadian society as a whole. In the short term, however, over the next five years or so, the effects of the shifts in immigrant origins will be confined largely to the major metropolitan areas. The main reason for this is that most Third World immigrants settle in Toronto, Montreal and Vancouver.*

- *To date, the absolute inflow of immigrants to Canada has generally been small relative to the overall size of the Canadian population, less than 1 per cent annually. However, as the non-British and non-French component of the population grows, as a result of cumulative effects of immigration over the next couple of decades, all Canadians will be called upon to more seriously contemplate the variety of ethnic talents and contributions to this country's social and economic environment -- thereby re-emphasizing the vision of Canada as a mosaic of many different groups sharing similar interests and goals.*

- *It is likely going to become extremely important to provide appropriate funding for the expansion of government initiatives which control and reduce the possibility of inter-ethnic animosities and racial conflict in the workplace.*

Multicultural Character

- *A large proportion of the European-origin population of Canada is generally approaching retirement age, and it is not being replenished by a sufficient number of new and young arrivals to ensure its replacement. The European-origin population, therefore, can be expected to diminish somewhat. Some ethnic communities and cultural groups which past European waves of immigration established will gradually weaken. The focus of multiculturalism will shift further to Third-World-origin groups who, in 20 years or so, will have grown larger, will be relatively young, and will still be growing through new arrivals.*

- *The proportion of Third-World-origin residents is expected to rise, without great difficulty, above 10 per cent over the next 20 years (i.e., by the year 2010). This should take place even if there are periods of greatly reduced inflow of immigrants in the future, just as there had been in the early 1980s.*

- *The possibility of economic inequality among the cultural and racial groups cannot be ignored -- especially given the expected increases in the multi-racial component of the population. Traditionally, the long-established European-origin groups have been more upwardly mobile than other minorities. However, over time, many smaller ethnic communities have become successful both in economic and social terms. But such changes have been slow and there is a continuing immigration from increasingly diverse sources. Job discrimination becomes one of the main concerns as diversity increases.*

Linguistic Make-up

- *In future, competition between population-growth requirements of French versus English Canada is likely to continue to manifest itself in the political arena, particularly with regards to immigration policies and planning levels.*

- *Complicating this process is the language effect of having an increasing proportion of immigrants coming to Canada from Asia, Latin America, and Africa, as opposed to the traditional European sources. The shift in immigrant sources is likely to mean that a greater number of immigrants will not have a sufficient working knowledge of either of the official languages. This implies that more emphasis on official language training will be required, since knowledge of English and/or French is a prerequisite for adequately functioning on a day-to-day basis in this country.*

- *In addition, due to the increasingly multicultural character of Canada, pressures for preservation of minority languages, especially in the context of education programs, will increase. Education is one of the most important areas of our society where the impact of increasing ethnic diversity is more immediately felt. This component must most certainly be taken into account when considering language matters.*

- *A basic challenge for provincial education systems is the development of appropriate curricula which will encourage tolerance and allow various ethnic groups to identify with the educational content of schooling materials.*

- *A second challenge is the inclusion of minority language training options in the curricula, in recognition of ethnic aspirations. Language retention is an important aspect of multiculturalism.*

Social Services

- *The projected aging of the Canadian population raises concern about the implications for public social expenditure. Changes in age structure are likely to affect the demand for social programs, by increasing the demographic pressure on pension schemes, health care systems and other social services for the elderly, and reducing the demand for family benefits, education and other programs aimed at the young population. In this context, two key issues arise:*

  To what extent will the cost of public social programs grow as a result of demographic factors?

  In what ways will public expenditures have to be reconfigured to take account of the changing demographic demands?

- *Restructuring public social expenditures could reduce the growth of total social outlays caused by demographic change, but it is likely to require considerable political vision and managerial acumen. Moreover, there is a high rate of turnover in the elderly population, and the changing characteristics and needs of successive cohorts of elderly persons may have significant and fluctuating impacts on social policy requirements in the future.*

- *The capacity to finance social expenditure in Canada could decline over the next few decades, while at the same time, the "dependent" population (aged 65 or more) will increase. Thus, it will be necessary to find new ways to finance the additional resources required to absorb the effects of demographic change. These resources could come from increased productivity per worker, from higher rates of taxes and social security contributions, from a reduction in the scale of coverage and benefits offered by public social programs, from an increase in the retirement age, or from some combination of the above.*

- *In addition, immigration policies could be changed to allow even greater numbers of working-age persons to become Canadians, but the net effect of immigration is seen by many Canadian demographers as potentially only a modest contribution to the solution.*

- *On the other hand, increases in outlays for the elderly (health care, pensions) are likely to be somewhat offset by reduction in costs on education, family benefits and other programs aimed at the young. However, there will be many obstacles in the way of achieving this and therefore the net effect of such a restructuring of social expenditures should not be over-estimated. There are good reasons to conclude that expenditure on education and other programs targeted at the young will not shrink to the extent suggested by demographic trends.*

- *Even if public expenditures on the young decrease fully as implied by demographic projections, population aging will still add considerably to the burden of financing social programs.*

Economic Effects

- *The most significant anticipated demographic development which will impact on the economy well into the 21st century is the shrinkage of the share of the working-age population. Obviously a growing vibrant economy would ease the problem of financing additional social outlays. However, because of the decline of the proportion of people in the workforce, some key issues emerge concerning economic consequences of aging :*

  What are the likely effects of aging on labour force productivity?

  To what extent will labour force participation rates change as a result of demographic developments? What incentive measures should be put in place to increase participation?

  If the growing ranks of the elderly are called upon to share the cost of adjustment to demographic pressures, how should this cost be spread across the elderly population? To what extent could it be concentrated on the better-off groups of the elderly?

- *The anticipated shrinkage of the labour force in the future will likely be dealt with in a number of ways. One of these ways is adopting measures which help to increase labour force productivity. However, economists generally agree that coping with future demographic pressures will depend only to a limited extent on improving productivity.*

- *The economy's capacity to deal with the costs of population aging is likely to depend more on labour force trends. Encouragement of immigration will provide a partial solution to labour shortages, but there may arise social and political barriers to large scale immigration of the kind that may be required, and hence the adequacy of such a solution should not be over-rated.*

- *Aside from improving productivity and immigration, labour force shortages could be satisfied in other ways, including increasing participation by older workers, and increasing participation by women and youth. This, of course, would be desirable because it would increase the capacity of the country to finance government social and economic programs, and would at the same time reduce the number of persons and organizations dependent on these programs.*

- *The need to distribute the public expenditures burden over a broader segment of the population, and the improvement of the relative financial status of the elderly, are two reasons why including the elderly in the country's overall tax base and/or reducing their level and scale of benefits have become somewhat more viable propositions. However, in this context, adverse consequences on low income groups within the elderly population would need to be assessed. The impacts on social programs such as disability benefits also need to be carefully evaluated. In addition, the negative effects of placing some of society's financial burden on the elderly could include serious disincentives to save for retirement during their active adult lifetimes -- since those who retire wealthy will be called upon to carry a disproportionate share of the load.*

- *One of the most prominent trends during the past couple of decades has been the increased participation of women in the labour force. This trend is likely to continue, especially if the projected labour shortages materialize.*

- *The long term prospects for youth employment look good. Now that the proportion of young people is beginning to decline, employment opportunities for youth may improve, and youth labour force participation rates could increase.*

HOUSING : IMPLICATIONS

Households, Consumer Demand and Housing Requirements

- *The projection that non-family households will continue to increase significantly over the next two decades represents an important trend for housing, since non-family households generally tend to occupy dwellings that are different from those which families would occupy. On the other hand, as the proportion of one-parent households rises, so does the substitutability in the housing stock between dwellings demanded by this type of household and dwellings demanded by non-family households.*

- *The component of increase in quantitative housing requirements due to population growth alone will decline over the next generation. The increases in housing requirements that do occur will be due more to new household formations and composition, and changing consumer preferences and needs.*

- *The key to meeting the housing requirements of the aged will be in increasing their housing options -- particularly in the form of different financial and tenure arrangements as, for example, reverse mortgages, sale leasebacks, life tenancies, and shared equities. Moreover, appropriate options should be available to the elderly who are at different aging stages, and consequently with different housing preferences. However, it is not realistic or reasonable to expect that old persons can easily move from one residential form to another every time their preferences or requirements change. All this represents a challenge to the housing sector to produce the appropriate forms of shelter for the ever increasing diversity of requirements.*

- *The increasing number of senior citizens during the next couple of decades will be accompanied by a sharp decline in the number of persons 25-to-34 years old, the traditional first-time home buyers. This could mean a sharp decline in demand for home ownership in the future. However, it is also true that during the 1980s home ownership rates fell to a new low, mainly because many baby boomers experienced sluggish income gains. This same group is now moving to its late 30s and 40s and to more secure income levels. Thus many who deferred home buying in the 1980s will now likely take the plunge, and in so doing offset some of the expected shortfall in home ownership demand. Another possible offsetting pattern to the potential decline in the demand for home ownership may arise if many senior citizens end up selling off there old homes (largely paid for) and buy new condominium-type dwellings (smaller and more suitable to their current needs) -- instead of shifting back to rental housing.*

- *The demand for smaller housing units should likely grow during the 1990s, since, according to the Review of Demography, the number of smaller-sized households (including singles and single-parent families) is expected to increase. This is not to say that there is not a significant demand for big (perhaps even over-sized) housing units. However, while a prolific growth of big dwellings continues, especially in suburbs, growth of relatively small dwellings (in terms of square footage) will also continue, particularly in large metropolitan areas, following trends of the past two decades.*

- *There are some other trends examined by the Review of Demography which could also provide some new perspectives on future housing choices. The increasingly multicultural mix of our society, for example, may well have some effects -- on urban concentrations, neighbourhood preferences, and tenure choice. The greater awareness of Canadians regarding some of the negative impacts of economic progress and urban settlement patterns on the quality of the environment is another trend noted by the Review. During the past decade or so there has been a dramatic increase in the interest of Canadians to clean up and preserve the environment. Thus it seems likely that future housing choices will also involve dealing with environmental factors, inasmuch as more people now place a high priority on living in healthier surroundings.*

Housing Needs

- *Various studies and CMHC surveys carried out over the past decade have consistently shown that a relatively significant proportion of the Canadian population has housing affordability problems (almost 12 per cent, or about one million households). The highest incidence of problems are among individuals living alone, single parent families, and elderly households. The conclusions of the Review of Demography tend to imply that this situation is likely to continue, particularly since these segments of the population are expected to grow. However, the final assessment of affordability is related not only to demographic factors, but also to incomes and credit terms, as well as to changing consumer standards.*

- *The efficacy of identifying appropriate levels of public financing for housing needs depends on the accuracy of our methods of analysis. The need to improve these methods increases especially as the country's tax revenue base declines, and as the need for fiscal restraint grows. An important research question arises in this context :*

  Will expected demographic changes intensify disparities between those who can and those who cannot pay for adequate shelter (i.e., shelter which meets required residential standards) ?

  This question will need to be addressed and the implications of disparities will need to be weighed against claims, by other sectors of the economy, for dwindling resources.

- *As senior citizens grow older and more dependent on care and clinical facilities, their needs change. Estimates of housing needs in Canada have traditionally been based on criteria of "suitability", "adequacy", and "affordability", which primarily involve amount-of-space considerations, standards of health and safety, and price-to-income specifications. Housing needs, however, could also conceivably be defined in the context of "appropriateness". Appropriate housing for the aged, for example, depends on other factors such as location, facilities, financial terms, design elements, and stages of aging.*

- ***In general, however, the changing composition of households, the increasing number of senior citizens, and the introduction of a greater variety of shelter options, all seem to suggest that definitions of housing needs for shelter assistance programs, as used by government officials, would benefit by including a formalized representation of appropriateness. Reasonable guidelines of appropriateness for social housing programs, spelling out the general benefits and disadvantages of different housing options for specific program clients, would be an improvement in the process of identifying housing needs. Funds would be allocated not only on the basis of affordability and adequacy, but also on the basis of matching the right kind of housing for the right social assistance clients. At the local level (municipality) this introduces a refinement in the process of public fund allocations, because it presumes a more rigorous understanding of the demographics of local areas, and their underlying economic and social dynamics.***

Market Activity

- *Housing market activity is linked both to population changes and to economic progress. Economic progress can offset the effects of an impending population slowdown. On the other hand, an economic downturn could accentuate the effects. Local areas within Canada which are more likely to maintain high economic performances (e.g., the main urban centres) could continue to have healthy housing markets, in spite of national demographic trends.*

- *Such a scenario presents some interesting challenges for housing analysts. Measuring the volatility of housing markets in the 21st Century, for example, will continue to be a very prominent feature of their work. The volatility (short-term ups and downs) of a market is primarily a function of economic forces. The more economically stable an area is, following a steady path of progress, the more stable the housing market will likely be. Demographic effects on volatility, however, could result when there are large influxes or exits of people into or out of an area. As population growth slows down, one possible outcome is that mobility of households increases. Movement between economic centres and towards the more prosperous areas could have a significant impact on market volatility. The question arises :*

  Will demographic changes, such as the slowdown in growth, the aging population and the changing family structure result in greater mobility of people, and will this mobility consequently affect the volatility of some markets ?

- *The greater the volatility, the more difficult it is to plan and to identify housing requirements and effective demand. In a country with stable population growth, and a healthy replacement level birth rate, the question of volatility is more appropriately examined within a fixed time, short-term context and at the local market level, rather than as an aggregate national, long-term issue. However, if the Canadian population in general, including the elderly, continues to become more mobile, while growing at an increasingly slower rate, the question of housing market volatility on a national scale could become more important, especially for the federal government and its housing agency, CMHC.*

- *One of the reasons this becomes of concern is that there are some current structural inadequacies in the housing industry, which have resulted in situations where, despite housing shortages in some markets, there are houses available for sale, but at prices that those who need them cannot afford to pay. Increased market volatility will mean that such imbalances in the housing market will continue to be a major issue for housing policy and program development. These research questions arise in this context :*

  To what extent will demographic changes, and market volatility, affect the structural imbalances in the housing sector ?

  Which areas of the country are likely to be most affected ?

- *An underlying concern then is the degree to which housing markets can effectively respond to the redistribution of population groups. Some markets will continue to experience significant population growth, while most others will experience a decline in growth rate. The problem in a market undergoing rapid growth is to get more housing services out of the existing inventory while augmenting that inventory as demand grows. In contrast, the problem in a market that experiences a decline is to manage housing surpluses so that excess dwellings do not endanger the financial prospects of the part of the inventory that should be retained. Both sides of this issue will be prominent in the 1990s and beyond.*

Construction Industry

- *The success of the residential construction industry will depend on its ability to adjust to the changes in demographic trends which are likely to continue to mean a reduction in new dwelling unit requirements.*

- *One of the obvious adjustments will be the need to provide more housing which is appropriate for the ever increasing elderly population, and for other groups such as single-person and single-parent households. Building new housing units with suitable design forms, adapting existing housing to suit changing needs, and increasing efficiency and economy of construction are the challenges being posed by the new demographics.*

- *In addition, advancement in making construction more affordable could be an important factor to the future success of the industry. In this respect, for example, there are opportunities in Canadian manufactured housing.*

- *In the future, the residential construction industry will likely continue to adopt more competitive methods and systems which will allow it to respond more effectively to changing housing requirements and preferences, to meet the challenge of new technologies, and to address desires for a broader range of housing options in this country.*

Financing

- *As new financial housing schemes and projects for seniors come onto the market, there will be a need to monitor their performance, and to assess their appropriateness to individual circumstances. Guidance by government housing officials should be provided to help seniors decide how closely particular options meet their personal financial needs.*

- *In general, the housing sector will be competing with other sectors of the economy for private and public financial resources. Therefore, new financial housing schemes which provide additional incentives for private funding, particularly in an era of public fiscal restraint, will become more important.*

RÉSUMÉ

OBJECTIF

L'objectif de la présente étude est d'explorer les vingt-six documents de recherche préparés dans le cadre de l'Étude de l'évolution démographique ainsi que de cerner et d'analyser les répercussions des résultats de l'Étude sur l'habitation et le cadre de vie.

QUESTIONS

L'Étude comprenait des articles préparés par des chercheurs des quatre coins du pays. En général, ces articles portaient sur cinq domaines clés définis par le Secrétariat de l'étude démographique :

- évolution de la structure des ménages et des familles
- croissance démographique et économique
- expansion régionale et migration
- caractère évolutif de la société canadienne
- migration internationale

Les chercheurs ont étudié certains sujets particuliers et les tendances pertinentes dans chacun des ces domaines généraux. Toutefois, l'étude ne portait pas directement sur les répercussions de l'évolution démographique sur l'habitation et le cadre de vie comme telles, bien qu'une grande partie du travail comporte des implications importantes à cet égard.

APERÇU

Le présent rapport contient d'abord un synopsis des résultats de l'Étude, suivi d'une section sur les incidences des résultats sur le cadre de vie, puis d'une autre sur les incidences sur l'habitation. De plus, une analyse distincte des grandes tendances démographiques est présentée en annexe, à titre de document de référence pour l'analyse des répercussions. **Le résumé suivant ne fournit que certaines grandes lignes des questions étudiées plus en détail dans le rapport.**

RÉSULTATS[1]

Structures des ménages et des familles

Les bouleversements survenus dans la structure traditionnelle de la famille - un parent pourvoyeur et un à la maison - ont conduit à un nouveau style de vie des adultes, qui se répercute sur la vie des enfants. Les principaux changements du cadre familial survenus au cours des trois dernières décennies sont : l'instabilité conjugale accrue, la réduction du noyau familial, un taux plus élevé de divorces, un nombre accru de familles monoparentales, plus de familles à deux revenus et la venue plus tardive des enfants dans la famille.

La proportion de la population qui vit seule a triplé depuis 1921. Cette augmentation est constante chez toutes les catégories d'adultes classées selon l'âge et le sexe, mais elle est plus marquée chez les femmes âgées.

Les familles monoparentales, les couples sans enfant et les familles à deux revenus composent maintenant la majeure partie des familles canadiennes, alors que la famille à un seul pourvoyeur, autrefois prédominante, occupe maintenant une position minoritaire.

La participation des femmes sur le marché du travail a considérablement augmenté au cours des deux dernières décennies. Les progrès des femmes sur le marché du travail ne se sont toutefois pas assortis d'une amélioration correspondante de leur situation économique. Le revenu des femmes reste en grande partie inférieur à celui des hommes et si leurs possibilités d'emploi et leurs choix de carrière ont augmenté, un nombre relativement élevé de ces emplois et carrières font partie des métiers les moins bien rémunérés.

Les données des trois dernières décennies sur la composition des ménages indiquent que les jeunes ménages ont augmenté substantiellement au cours des années 1960, 1970 et 1980. Le rythme de croissance des ménages dirigés par des personnes âgées de 15 à 24 ans et de 25 à 34 ans est nettement plus élevé que celui des ménages dirigés par des personnes de 35 ans et plus.

Croissance démographique et économique

Au cours des cinquante dernières années, c'est la baisse de fertilité qui a eu l'effet démographique le plus important et elle représente le facteur déterminant de la structure actuelle de la population.

---

[1] Les renvcis précis aux documents de recherche, en ce qui a trait aux résultats de l'Étude, se trouvent à la section II et à l'annexe B du présent rapport.

Les taux de fertilité plus faibles et la tendance vers les familles moins nombreuses signifient que la proportion de gens âgés dans la population continuera de s'accroître bien après le tournant du siècle. Parmi les effets à long terme sur l'économie qui découlent des modifications inévitables de la structure des groupes d'âge de la population et de la taille des familles, mentionnons le déclin du taux de croissance du produit national brut, un taux d'épargne moins élevé, une chute des taux d'intérêt réels, une augmentation du pourcentage de capital social consacré à la production, des niveaux plus élevés de productivité moyenne.

Expansion régionale et migration

Les provinces qui connaissent un taux élevé d'émigration sont aussi celles dont le revenu personnel moyen est le plus faible et dont la part du revenu national diminue.

Les programmes d'expansion régionale mis sur pied par les gouvernements successifs portent principalement sur le soutien des initiatives qui améliorent les possibilités locales d'emploi.

Toutefois, il faut interpréter la migration dans le contexte de la dynamique sociale et économique locale. L'une des études attribue à divers facteurs sociaux la décision de nombreuses gens de demeurer au sein d'une communauté, d'autres gens qui avaient quitté et qui choisissent de revenir et d'étrangers de venir vivre dans cette communauté.

Au-delà de l'aide économique gouvernementale, il faut donc énoncer une politique de développement social complète afin de bien appréhender les problèmes des petites collectivités, surtout celles qui manifestent une faible propension à l'émigration, bien que le taux de chômage soit élevé, le niveau de scolarisation faible, la dépendance envers l'aide sociale élevée et l'effritement social plus marqué.

Les prévisions établies dans le cadre de l'Étude suggèrent que l'urbanisation se poursuivra pendant le siècle à venir. Toutefois, une grande partie de la croissance des régions urbaines sera tributaire de l'immigration et de la migration interurbaine. C'est dire qu'il y aura concurrence entre les centres urbains, ainsi que diverses tendances de croissance au sein de l'ensemble du système urbain.

Caractère évolutif de la société

Dans le cadre de l'Étude, les chercheurs ont observé que d'ici 2006, il se produira une forte augmentation de la proportion de personnes âgées dans la population. Qui plus est, il y aura une diminution proportionnelle de la portion de la population âgée de moins de vingt ans. Ainsi, la structure de la dépendance démographique évoluera, puisque les personnes âgées constitueront une part plus importante de la population en état de dépendance.

Les communautés qui comptent un taux élevé de personnes âgées seront plus vulnérables aux politiques publiques et représenteront une plus grande partie de la clientèle des programmes de sécurité du revenu et d'aide sociale.

Depuis la Deuxième Guerre mondiale, la composition ethnique du Canada s'est modifiée substantiellement, surtout par la voie de l'immigration. Non seulement le nombre d'immigrants a fluctué d'une année a l'autre, mais aussi leur origine ethnique; les immigrants venaient d'abord principalement d'Europe, puis majoritairement d'Asie, d'Amérique centrale et du Sud et d'Afrique.

Malgré la diversité ethnique au Canada, aucun changement marqué ne s'est manifesté dans la dualité linguistique du pays. Bien que les Canadiens d'origine française soient en perte de vitesse considérable depuis 1951, la proportion de la population qui parle français n'a pas diminué, surtout parce que la proportion de Canadiens qui parlent les deux langues officielles est passée de 12 p. 100 en 1951 à 16 p. 100 en 1986.

L'immigration exerce une influence importante sous bien des rapports sur le caractère socio-démographique de la population canadienne. La plupart des immigrants s'établissent dans les grands centres urbains et contribuent ainsi au processus d'urbanisation. En moyenne, les immigrants possèdent un plus haut niveau de scolarisation et de compétences que le Canadien moyen. Quant aux langues officielles du pays, l'immigration a favorisé davantage l'anglais que le français. L'immigration joue aussi un rôle prépondérant en termes d'augmentation des minorités visibles au sein de la population canadienne.

Immigration internationale

Le monde subit actuellement des transformations sociales et politiques qui signifient probablement que le nombre d'immigrants éventuels au Canada continuera d'augmenter au cours des quelques prochaines années. Une forte proportion d'immigrants du tiers monde s'annonce dans les années à venir.

Le Canada semble assuré d'accueillir un contingent abondant d'immigrants anglophones biens instruits, mais il aura sans doute du mal à attirer des immigrants francophones de même calibre.

La société canadienne continuera d'être confrontée au défi d'éviter les conflits raciaux, linguistiques et ethniques, à mesure que le nombre total d'immigrants non européens et de leurs descendants augmentera.

CADRE DE VIE : IMPLICATIONS

Urbanisation

Le déclin prévu du taux de croissance de la population canadienne implique que nombre de villes, surtout les plus petites, ne croîtront pas ou croîtront à un rythme de plus en plus lent à long terme.

Les grandes régions métropolitaines continueront d'attirer le plus de nouveaux immigrants ainsi que les jeunes Canadiens à la recherche d'emploi, qui délaisseront les régions moins diversifiées sur le plan économique.

La prévision de la distribution relative de la croissance démographique future dans les zones urbaines du Canada est un important projet de recherche à envisager. surtout quand il s'agit d'identifier les futurs mouvements interurbains de la population et de déterminer les facteurs qui influencent les grandes tendances démographiques dans les grands centres, selon diverses conjonctures, par exemple, une récession.

Le déclin de l'urbanisation pourrait notamment entraîner la résurgence des districts urbains centraux.

Milieux ruraux

À mesure que l'urbanisation se poursuivra, même à un rythme plus lent, et que la croissance des capacités technologiques du Canada prendra de la vigueur, des liens physiques plus étroits réuniront la plupart des régions du pays. De plus en plus des avantages de la vie urbaine seront accessibles dans les milieux ruraux. Ce changement comblera en partie les différences entre la vie urbaine et rurale et augmentera les attraits des milieux ruraux pour certains segments de la population.

Néanmoins, des forces économiques et sociales puissantes annulent les mouvements vers les milieux ruraux car elles poussent les jeunes vers les grands centres. Le Recensement de 1991 produira probablement des résultats intéressants sur les récentes tendances migratoires des jeunes Canadiens et fournira des indices sur les changements futurs à prévoir.

Lorsque les données du Recensement de 1991 seront disponibles, il conviendra de réexaminer les tendances de migration non urbaine, les caractéristiques socio-économiques des immigrants (par ex., l'âge, l'éducation, l'occupation), et les éventuelles répercussions économiques nationales de l'évolution de la population dans les milieux non urbains.

Expansion régionale

La répercussion générale sur l'expansion régionale, comme le démontre la recherche menée dans le cadre de l'Étude, prendra l'allure d'un ralentissement de la croissance de la population et le vieillissement de la population canadienne au cours des deux prochaines décennies accentuera l'effet sur les disparités régionales, entre les provinces et au sein de chacune d'elles.

Immigration

Le changement d'origine des flots d'immigrants au Canada qui s'est produit au cours des vingt dernières années a eu un effet graduel sur la composition ethnique, raciale et culturelle de la société canadienne. À court terme, néanmoins, au cours des cinq prochaines années, les effets des changements d'origine des immigrants ne se feront généralement

sentir que dans les grands centres, ce qui s'explique principalement par le fait que la plupart des immigrants du tiers monde s'installent à Toronto, à Montréal et à Vancouver.

À ce jour, le flot total des immigrants au Canada est restreint par rapport à la taille de la population canadienne, soit moins de 1 p. 100 par année. Toutefois, à mesure que la portion non britannique et non française de la population croîtra par suite des effets cumulatifs de l'immigration au cours des deux prochaines décennies, tous les Canadiens devront tenir plus sérieusement compte de la variété des talents et des contributions des populations ethniques au tissu social et économique du pays - c'est-à-dire réaffirmer la vision du Canada comme mosaïque composée de différents groupes partageant des intérêts et objectifs communs.

Il deviendra probablement très important d'avancer les fonds suffisants pour l'expansion des programmes de l'État destinés à maîtriser et à réduire les risques d'animosités inter-ethniques et les conflits raciaux en milieu de travail.

Multiculturalisme

Une large proportion de la population canadienne d'origine européenne atteindra bientôt l'âge de la retraite et elle n'est pas remplacée par un nombre suffisant de jeunes immigrants. Par conséquent, la population d'origine européenne devrait quelque peu diminuer. Certaines communautés ethniques et culturelles qu'ont amenées les vagues d'immigrants européens diminueront graduellement. Le multiculturalisme se tournera davantage vers les groupes du tiers monde qui, dans environ vingt ans, auront augmenté, compteront beaucoup de jeunes et continueront d'accueillir de nouveaux arrivants.

La proportion des résidents venus du tiers monde devrait facilement atteindre plus de 10 p. 100 au cours des vingt prochaines années (c.-à-d. en 2010). Cette croissance se produira même si nous connaissons des périodes d'immigration restreinte, comme ce fut le cas au début des années 1980.

Il ne faut pas négliger l'éventualité d'inégalités économiques entres les groupes culturels et sociaux - surtout si l'on tient compte de l'augmentation prévue du composant multiracial de la population. Traditionnellement, les groupes d'origine européenne, établis depuis longtemps, ont connu une meilleure mobilité ascendante que les autres groupes ethniques. Toutefois, avec le temps, de nombreuses petites communautés ethniques ont beaucoup progressé sur les plans social et économique. Ces changements ont été graduels et l'origine des immigrants est de plus en plus diversifiée.

Composition linguistique

Dans l'avenir, la concurrence entre le Canada anglais et le Canada français à l'égard des besoins de croissance de la population se fera

sans doute encore sentir dans l'arène politique, surtout en ce qui a trait aux politiques et à la planification de l'immigration.

Les répercussions linguistiques de la venue d'une proportion accrue d'immigrants d'Asie, d'Amérique latine et d'Afrique, plutôt que des sources européennes traditionnelles, complique le tableau. Le changement d'origine des immigrants signifiera probablement que plus d'immigrants ne posséderont pas les compétences pratiques suffisantes dans l'une ou l'autre des langues officielles. Il s'ensuivra une intensification des besoins en formation linguistique, puisque la connaissance de l'anglais ou du français est un élément essentiel pour fonctionner adéquatement dans la vie quotidienne au Canada.

De plus, en raison du caractère de plus en plus multiculturel du Canada, les pressions exercées pour préserver la langue des minorités linguistiques augmenteront, surtout dans les programmes d'éducation. L'éducation est l'un des domaines les plus importants de notre société où les effets de la diversité ethnique croissante se font sentir à court terme. Il faut très certainement tenir compte de ce facteur lorsque l'on aborde la question linguistique.

Les systèmes d'éducation provinciaux devront relever le défi de composer des programmes d'études appropriés qui favoriseront la tolérance et permettront aux divers groupes ethniques de s'identifier au contenu du matériel pédagogique.

Le deuxième défi à relever concerne l'inclusion au programme scolaire d'options de formation dans la langue des minorités, en reconnaissance des aspirations de ces minorités. La préservation de la langue représente un aspect important du multiculturalisme.

Services sociaux

Le vieillissement prévu de la population canadienne soulève des questions à propos des implications sur la distribution des fonds publics. La modification de la structure des groupes d'âge fera sans doute augmenter la demande de programmes sociaux en exerçant une pression démographique accrue sur les régimes de retraite, les systèmes de santé et d'autres services sociaux dispensés aux personnes âgées, et en réduisant la demande à l'égard des prestations aux familles, de l'éducation et d'autres programmes destinés à la population plus jeune. Dans ce contexte, deux questions importantes se posent :

Dans quelle mesure le coût des programmes sociaux publics augmentera-t-il en raison de facteurs démographiques?

Comment faut-il réformer les dépenses publiques pour tenir compte des besoins découlant de l'évolution démographique?

La restructuration des dépenses sociales publiques peut freiner la croissance de l'ensemble des dépenses sociales découlant des changements démographiques, mais il est probable qu'elle exigera une vision

politique et des qualités de gestion poussées. Qui plus est, le taux de renouvellement de la population âgée est très élevé et l'évolution des caractéristiques et des besoins des groupes successifs de personnes âgées risque d'avoir des effets significatifs et changeants sur les besoins futurs en matière de politique sociale.

Au Canada, la capacité d'absorber les dépenses sociales risque de diminuer au cours des prochaines décennies alors que la population «dépendante» (65 ans et plus) augmentera. Il faudra donc trouver de nouvelles façons de financer les ressources supplémentaires requises pour compenser les effets des changements démographiques. Ces ressources viendront peut-être de la productivité accrue des travailleurs, d'impôts plus lourds ou de l'augmentation des primes de sécurité sociale, d'une réduction des prestations et des services garantis par les programmes sociaux publics, d'une augmentation de l'âge de la retraite ou d'une combinaison de ces solutions.

De plus, on pourrait modifier les politiques de l'immigration afin d'autoriser un plus grand nombre d'immigrants en âge de travailler à devenir Canadiens, mais nombre de démographes canadiens estiment que l'effet net de l'immigration n'apporte qu'une contribution modeste à la solution.

Par ailleurs, l'augmentation des dépenses destinées aux personnes âgées (soins de santé, pensions) devrait être en quelques sorte compensée par la réduction des coûts de l'éducation, des prestations aux familles et des autres programmes destinés aux jeunes. Toutefois, beaucoup d'obstacles se dresseront sur la voie de la réalisation de ce résultat et l'effet net d'une telle restructuration des dépenses sociales ne devrait donc pas être surestimé. De bonnes raisons nous poussent à conclure que les dépenses engagées pour l'éducation et d'autres programmes destinés aux jeunes ne diminueront pas dans la mesure que les tendances démographiques laissent entrevoir.

Même si les dépenses publiques engagées pour les jeunes diminuent conformément aux prévisions démographiques, le vieillissement de la population alourdira quand même considérablement le fardeau financier des programmes sociaux.

Répercussions économiques

L'évolution démograhique prévue qui aura les répercussions les plus importantes sur l'économie bien au-delà du tournant du siècle sera la diminution de la proportion de la population active. De toute évidence, une économie vigoureuse allégerait le problème du financement des programmes sociaux additionnels. Toutefois, parce que la proportion de la population active diminue, certaines questions cruciales se posent au sujet des conséquences économiques de vieillissement de la population :

Quels sont les effets probables du vieillissement sur la productivité de la main-d'oeuvre?

Dans quelle mesure le taux de participation de la main-d'oeuvre changera-t-il par suite de l'évolution démographique? Quelles mesures incitatives peut-on appliquer pour augmenter cette participation?

Si le nombre croissant de personnes âgées est mis à contribution pour partager le coût d'ajustement aux pressions démographiques, comment ce coût devrait-il se répartir sur l'ensemble de la population âgée? Dans quelle mesure peut-il être absorbé surtout par les personnes âgées mieux nanties?

On pourra aborder de nombreuses façons la diminution prévue de la main-d'oeuvre. L'une de ces façons consiste à adopter des mesures qui stimuleront la productivité de la main-d'oeuvre. Toutefois, les économistes s'entendent généralement sur le fait que la solution aux pressions démographiques futures ne dépendra que modestement de l'amélioration de la productivité.

La capacité de l'économie d'absorber les coûts du vieillissement de la population dépendra probablement plus des tendances de la main-d'oeuvre. Encourager l'immigration réglera en partie le problème de pénurie de main-d'oeuvre, mais des obstacles sociaux et politiques limiteront peut-être l'immigration massive requise; il ne faut donc pas surestimer la valeur de cette solution.

Mise à part l'amélioration de la productivité et de l'immigration, les pénuries de main-d'oeuvre peuvent être comblées de d'autres façons, notamment en augmentant la participation des travailleurs plus âgés et celle des femmes et des jeunes. Bien sûr, cette solution est désirable parce qu'elle accroît la capacité du pays de financer les programmes sociaux et économiques de l'État et qu'elle contribuerait par ailleurs à réduire le nombre de personnes et d'organismes qui dépendent de ces programmes.

Le besoin de faire porter le fardeau des dépenses publiques à une proportion plus élevée de la population et l'amélioration de la situation financière relative des personnes âgées expliquent tous deux pourquoi l'inclusion des personnes âgées à l'assiette fiscale et la réduction du niveau et du nombre d'avantages accordés aux aînés sont devenues des propositions viables. Toutefois, dans ce contexte, il faudra évaluer les conséquences négatives sur les groupes de personnes âgées à faible revenu. Les répercussions sur les programmes sociaux comme les prestations d'invalidité doivent également être attentivement étudiées. De plus, les effets négatifs qu'entraîne la contribution des aînés au fardeau financier social risquent de décourager les gens d'épargner pendant leur vie d'adultes actifs en vue de leur retraite, puisque les retraités bien nantis devront assumer une part plus grosse du fardeau.

Depuis les deux dernières décennies, la participation des femmes à la main-d'oeuvre représente l'une des tendances les plus marquées. Elle

devrait se poursuivre surtout si les pénuries de main-d'oeuvre prévues se concrétisent.

Les perspectives à long terme à l'égard des emplois chez les jeunes sont bonnes. Maintenant que la proportion des jeunes commence à régresser, les possibilités d'emploi s'améliorent et la participation des jeunes à la main-d'oeuvre pourra augmenter.

L'HABITATION : IMPLICATIONS

Exigences relatives aux ménages, à la demande des consommateurs et à l'habitation

Les prévisions selon lesquelles le nombre de ménages non familiaux continuera d'augmenter au cours des deux prochaines décennies révèle une tendance importante à l'égard de l'habitation, puisque les ménages non familiaux occupent généralement des logis différents de ceux des familles. D'un autre côté, puisque la proportion des familles monoparentales augmente, il en va de même de la capacité de substitution du parc résidentiel entre les logis dont a besoin ce type de ménage et ceux que recherchent les ménages non familiaux.

Le facteur d'accroissement en termes de besoins quantitatifs de logement qui découlent de l'accroissement de la population régressera avec la prochaine génération. L'augmentation des besoins de logement qui se manifestera sera attribuable à la nouvelle composition et aux nouvelles formations de ménages, ainsi qu'aux préférences et besoins changeants des consommateurs.

Pour vraiment répondre aux besoins de logement des personnes âgées, il faudra augmenter leurs options à cet égard, surtout en leur présentant des possibilités financières et d'occupation, par exemple le prêt hypothécaire de conversion, la cession-bail, la location viagère et la participation à la mise de fonds. De plus, des options adéquates devraient être offertes aux personnes âgées selon le stade de vieillissement qu'elles ont atteint, donc de leurs préférences en matière de logement. Toutefois, il n'est ni réaliste ni raisonnable de s'attendre à ce que les personnes âgées changent facilement de type de logement chaque fois que leurs préférences ou besoins changent. Tous ces facteurs posent un défi au secteur de l'habitation, qui doit produire divers types de logement pour répondre à des besoins sans cesse plus nombreux.

Le nombre croissant de citoyens aînés au cours des deux prochaines décennies s'accompagnera d'une chute du nombre des 25-34 ans, chez qui l'on retrouve traditionnellement les acheteurs de première maison. Il risque de s'ensuivre une chute de l'achat de maison dans le futur. Néanmoins, il est également vrai que dans les années 1980, le nombre de propriétaires de maison a baissé à un niveau plus bas que jamais, surtout parce que nombre de représentants de la génération du baby boom gagnaient trop peu. Ce même groupe a maintenant atteint la fin de la

trentaine et la quarantaine et reçoit des revenus plus confortables. Ainsi, beaucoup de ceux qui avaient remis à plus tard l'achat d'une maison dans les années 1980 feront probablement le saut maintenant et compenseront ainsi la chute prévue du taux de propriétaires de maison qui risque de se produire si beaucoup de citoyens aînés vendent leur vieille maison (payée depuis longtemps) et achètent de nouvelles habitations en copropriété (plus petites et mieux adaptées à leurs besoins), plutôt que de louer une habitation.

La demande de petites habitations augmentera probablement au cours des années 1990, puisque, selon l'Étude de l'évolution démographique, le nombre de petits ménages (y compris les personnes seules et les familles monoparentales) devrait s'accroître. Cela ne veut pas dire qu'il n'y aura pas de demande significative pour les grandes habitations (et même des très grandes). Néanmoins, alors que la croissance des grandes habitations est encore rapide, surtout dans les banlieues, celle des habitations relativement petites (en termes de pieds carrés) se poursuivra aussi, surtout dans les grands centres, conformément à la tendance des deux dernières décennies.

L'Étude de l'évolution démographique porte sur d'autres tendances qui pourraient jeter un nouvel éclairage sur les futurs choix en matière d'habitation. Par exemple, la composition de plus en plus multiculturelle de notre société pourrait bien influer sur les concentrations urbaines, les préférences à l'égard des quartiers et le choix de statut d'occupation. La sensibilisation des Canadiens à certains effets négatifs des progrès économiques et de l'urbanisation sur la qualité de l'environnement représente une autre tendance dont l'Étude fait état. Pendant la dernière décennie, les Canadiens ont manifesté beaucoup plus d'intérêt pour l'assainissement et la protection de l'environnement. Il semble donc probable que les futurs choix en matière d'habitation se feront en fonction de facteurs environnementaux, dans la mesure où plus de gens estiment important de vivre dans un milieu sain.

Besoins de logement

Diverses études et des enquêtes de la SCHL menées au cours de la dernière décennie indiquent toutes qu'une proportion relativement importante de la population canadienne éprouve des problèmes de revenu (près de 12 p. 100 ou environ un million de ménages). Ces problèmes se manifestent surtout chez les personnes vivant seules, les familles monoparentales et les personnes âgées. Les conclusions de l'Étude de l'évolution démographique impliquent que cette situation ne changera pas, surtout parce que ces portions de la population augmenteront. Toutefois, l'évaluation finale de l'abordabilité ne dépend pas des seuls facteurs démographiques, mais aussi du revenu et des conditions de crédit, de même que des habitudes de consommation changeantes.

La capacité d'identifier efficacement les niveaux appropriés de financement public à l'égard des besoins de logement dépend de la

précision de nos méthodes d'analyse. Le besoin de raffiner ces méthodes augmente, surtout si l'on tient compte de la diminution de l'assiette fiscale du pays et de la nécessité grandissante de réduire les dépenses publiques. Cette situation soulève une importe question de recherche :

> **Les changements démographiques prévus accuseront-ils les disparités entre ceux qui peuvent et ceux qui ne peuvent pas payer une habitation adéquate (c.-à-d. une habitation qui répond aux normes résidentielles)?**

Il faudra étudier cette question et peser les implications des disparités par rapport à la demande de logements des autres secteurs de l'économie.

À mesure que les personnes âgées vieillissent et dépendent davantage des installations de soins et de santé, leurs besoins changent. Au Canada, l'évaluation des besoins de logement repose traditionnellement sur des critères de «taille convenable», de «qualité convenable» et d'«abordabilité», qui portent principalement sur l'espace, des normes de santé et de sécurité et le rapport prix-salaire. Par ailleurs, les besoins de logement pourraient aussi se définir dans le contexte de la «conformité». Par exemple, la conformité d'un logement pour personnes âgées dépend de facteurs comme l'emplacement, les installations, les conditions financières, l'aménagement et le stade de vieillissement.

Toutefois, en général, la composition changeante des ménages, le nombre accru de personnes âgées et l'introduction d'autres options de logement laissent supposer que les définitions des besoins de logement employées par l'État dans le cadre des programmes d'aide à l'habitation gagneraient à ce qu'on y ajoute la notion de conformité. Des lignes directrices raisonnables sur la conformité appliquées aux programmes de logements sociaux et l'énoncé des avantages et inconvénients généraux des options de logement en fonction des divers clients des programmes amélioreraient le processus d'identification des besoins de logement. L'affectation des fonds se ferait non seulement en fonction de l'abordabilité et de la qualité convenable, mais aussi selon la conformité des logements aux besoins de la clientèle visée par l'aide sociale. Sur le plan local (municipal), cette notion raffine le processus d'affectation des fonds publics, parce qu'elle suppose une compréhension plus rigoureuse des facteurs démographiques locaux et de la dynamique économique et sociale sous-jacente.

L'activité du marché

L'activité du marché de l'habitation est liée à la fois à l'évolution de la population et aux progrès économiques. Ces derniers peuvent compenser les effets d'un ralentissement imminent de la croissance démographique, alors qu'un ralentissement économique risque de les accentuer. Le marché de l'habitation des localités canadiennes les plus susceptibles de maintenir un rendement économique élevé (par ex., les grands centres urbains) pourrait continuer de prospérer, en dépit des tendances démographiques nationales.

Un tel scénario pose des défis intéressants aux analystes de l'habitation. Notamment, la mesure de l'instabilité des marchés de l'habitation au cours du XXI^{e} siècle continuera d'occuper une partie appréciable de leur temps. L'instabilité (fluctuations à court et à long termes) d'un marché est largement tributaire des forces économiques. Plus une région est économiquement stable après avoir connu des progrès réguliers, plus le marché de l'habitation sera stable lui aussi. Par contre, les effets démographiques risquent d'influer sur l'instabilité lorsqu'il se produit des grands mouvements migratoires dans une région. Quand la croissance de la population s'amenuise, la mobilité des ménages peut augmenter. Les mouvements de population entre les grands centres et vers les régions plus prospères risquent d'accentuer l'instabilité du marché de l'habitation. La question suivante se pose :

> **Les changements démographiques, par exemple un ralentissement de la croissance, le vieillissement de la population et l'évolution de la structure familiale, augmenteront-ils la mobilité des ménages et par conséquent, influeront-ils sur l'instabilité de certains marchés?**

Plus l'instabilité est aiguë, plus il est difficile de planifier et d'identifier les besoins de logement et la demande réelle. Dans un pays où la population augmente régulièrement et où le taux de natalité assure le remplacement de la population, la question de l'instabilité s'étudie plus adéquatement dans un contexte temporel fixe, à court terme et sur le plan des marchés locaux, que dans un contexte national général et à long terme. Toutefois, si l'ensemble de la population canadienne, y compris les personnes âgées, continue d'augmenter sa mobilité tout en croissant à un rythme toujours plus lent, la question de l'instabilité du marché de l'habitation à l'échelle nationale pourrait prendre beaucoup d'importance, surtout pour le gouvernement fédéral et son organisme d'habitation, la SCHL.

L'une des raisons de cette inquiétude grandissante provient de certaines lacunes structurelles de l'industrie de l'habitation, qui ont suscité des situations où, malgré la pénurie de logements sur certains marchés, il y a des maisons à vendre, mais à des prix prohibitifs pour les acheteurs éventuels. Une hausse de l'instabilité du marché signifiera que ces déséquilibres du marché de l'habitation continueront de poser un grave problème en matière de politique et d'élaboration de programmes d'habitation. Ces questions de recherche s'inscrivent dans le cadre suivant :

> **Dans quelle mesure l'évolution démographique et l'instabilité des marchés influent-elles sur les déséquilibres structurels du secteur de l'habitation?**
>
> **Quelles sont les régions du pays les plus touchées?**

Il s'ensuit donc une préoccupation à propos de la mesure dans laquelle les marchés de l'habitation peuvent réagir efficacement à la

redistribution de groupes de la population. Certains marchés connaissent une croissance stable de la population, tandis que la plupart des autres subissent une baisse du taux de croissance. Dans un marché en croissance rapide, le problème est d'obtenir plus de services du parc d'habitations existant tout en augmentant ce parc à mesure que la demande progresse. Par contre, un marché en décroissance est confronté au problème de gérer les surplus de logements de façon à ne pas compromettre les possibilités financières de la partie du parc de logements à conserver. Les deux aspects de cette question revêtiront plus d'importance dans les années 1990 et après.

Industrie de la construction

La prospérité de l'industrie de la construction résidentielle dépendra de sa capacité de s'adapter aux changements démographiques qui continueront d'avoir un effet à la baisse sur la demande de nouvelles habitations.

L'un des ajustements les plus évidents sera le besoin de produire plus de logements appropriés pour la population sans cesse croissante de personnes âgées et d'autres groupes comme les personnes seules et les familles monoparentales. La construction de nouvelles unités résidentielles bien aménagées, l'adaptation des habitations existantes aux besoins changeants et l'augmentation de l'efficacité et de la rentabilité de la construction, voilà les défis que lance l'évolution démographique.

De plus, les progrès réalisés pour rendre la construction plus abordable pourraient jouer un rôle prépondérant dans les succès futurs de l'industrie. À cet égard, le marché canadien des maisons usinées offre des possibilités.

Dans l'avenir, l'industrie de la construction résidentielle continuera probablement d'adopter des méthodes et systèmes plus concurrentiels, qui lui permettront de réagir plus efficacement aux exigences et préférences changeantes à l'égard du logement, de relever le défi des nouvelles technologies et de satisfaire le désir d'une plus vaste gamme d'options en matière d'habitation au Canada.

Financement

À mesure que de nouvelles méthodes et de nouveaux programmes de financement de l'habitation feront leur apparition sur le marché, il faudra mesurer leur rendement et leur conformité à la situation des individus. Les représentants du secteur de l'habitation du gouvernement devraient aider les personnes âgées à déterminer la mesure dans laquelle certaines options répondent à leurs besoins financiers personnels.

En général, le secteur de l'habitation concurrencera d'autres secteurs de l'économie pour l'obtention des ressources financières publiques. Par conséquent, les nouvelles méthodes de financement de l'habitation,

assorties de mesures incitatives additionnelles à l'égard du financement privé en cette ère de restrictions des dépenses publiques prendront de l'importance.

CMHC SCHL

Helping to house Canadians

Question habitation, comptez sur nous

National Office

700 Montreal Road
Ottawa, Ontario
K1A 0P7

Bureau National

700 chemin Montréal
Ottawa (Ontario)
K1A 0P7

Puisqu'on prévoit une demande restreinte pour ce document de recherche, seul le sommaire a été traduit.

La SCHL fera traduire le document si la demande le justifie.

Pour nous aider à déterminer si la demande justifie que ce rapport soit traduit en français, veuillez remplir la partie ci-dessous et la retourner à l'adresse suivante :

Le Centre canadien de documentation sur l'habitation
La Société canadienne d'hypothèques et de logement
700, chemin de Montréal, bureau C1-200
Ottawa (Ontario)
K1A 0P7

TITRE DU RAPPORT: _____

_____

Je préférerais avoir ce rapport en français.

NOM _____

ADRESSE _____
rue *app.*

---
ville *province* *code postal*

No de téléphone ( ) _____

SCHL 1991

TEL: (613) 748-2000

Canada Mortgage and Housing Corporation — Société canadienne d'hypothèques et de logement

Canada

I. INTRODUCTION

1.1 Background

The Review of Demography and Its Implications for Economic and Social Policy was launched on May 26, 1986, by Health and Welfare Canada. A Demographic Review Secretariat was established within the Department with the role of coordinating and funding diverse, demographic studies. Researchers in the private and public sectors were to report within a three-year period on possible changes in the size, structure and distribution of the population of Canada, and on how these changes might affect Canada's economic and social future. Fundamental alterations in the Canadian population, such as slowing growth and aging, were to be examined and the long-term implications on government policies and programs were to be assessed.

From 1986 to the end of 1988 scholars across Canada carried out various studies to examine relationships between demographic and other social and economic variables. The resulting products of this activity were twenty-six research papers which formed the core of the Review.

1.2 Objective

The objective of the following study is to probe the twenty-six research papers prepared for the Review of Demography and to identify and discuss implications of the Review findings for housing and living environments.

1.3 Issues and General Framework

The Review of Demography involved papers prepared by scholars from thirty Canadian universities as well as by private consultants. Generally, the studies focused on five key issue areas as set out by the Review Secretariat :

- changing household and family structures
- population growth and economic growth
- regional development and migration
- changing character of the Canadian society
- international population movement.

Within each of these general issue areas specific topics and relevant trends were studied by the researchers. The Review, however, did not directly address the effects of demographic changes on housing or living environments as such, although much of the work has important implications in this regard. Among the accomplishments of the Review which have implications for housing and living environments are the following :

- projections of the Canadian population into the 21st century and analysis of the prospect of population decline nationally and regionally;
- evaluation of Canada's changing age structure and the impact that this will have over the next four decades on federal policies and programs;
- assessment of the relationships between Canada's projected population changes and economic progress;
- examination of the impact of immigration to Canada on internal patterns of human settlement, regional development, urbanization, and rural growth;
- review of the impact of demographic trends on the Canadian labour market; and
- analysis of changes in family and household composition and their social and economic consequences.

The approach taken in this study is to examine the Review papers and to identify significant findings, and then to analyze and interpret these findings within the context of an overall housing framework. The general effects of demographic changes on residential demand and shelter requirements have been extensively studied in the Canadian literature on housing. However, implications of current patterns of change in the population, involving, for example, aging, ethnic make-up, geographic distribution, urban concentration, family composition, and so on, remain important areas of investigation -- particularly in terms of identifying appropriate means by which governments can or should respond to evolving issues.

All the Review papers have already been adequately assessed for technical competence and proficiency by professional peers and several academic as well as government institutions. Many components of the papers, or findings contained in the papers, have been published in refereed journal articles. Consequently, no technical evaluation of the methodologies and techniques applied in the papers is included in this report.

A synopsis of the Review findings is first presented in the next section. This is followed by sections on the implications of the findings within the context of the following general framework :

living environments :

- trends in urbanization
- rural environments and needs
- regional development
- immigration and settlement patterns
- ethno-cultural character of the population
- evolution of linguistic make-up
- constraints on social services
- economic productivity and growth;

housing :

- household and family characteristics
- consumer demand and housing requirements
- housing needs
- market activity
- residential construction industry
- financing practices.

While the focus of this report is on the findings of the twenty-six completed research papers of the Review, a separate analysis of the main demographic trends is presented in Appendix A, as a background for discussion on the implications for housing and living environments.[1] The analysis provided in Appendix A includes highlights on recent postcensal population data from Statistics Canada.

---

[1] Note that this background analysis is not derived from the Review. None of the research papers focused on preparing a general overview of the trends, although a separate publication by Health and Welfare Canada (*Charting Canada's Future: A Report of the Demographic Review*, 1989) provided selected highlights of some of the salient trends.

II. FINDINGS OF THE REVIEW

This section of the report presents highlights from the Review papers and outlines some of the relevant findings of the research. More detailed summaries of each of the papers is provided in "Update Number Five" of the Review.[1] *This section should be read simply as a synopsis of the Review findings. Discussion regarding implications of these findings is presented in the next two sections.*

The Review reported on possible changes in the size, structure and distribution of the Canadian population, and on how these changes might affect Canada's economic and social life. While the Review covered numerous topics, the papers generally fall within five broad categories. This synopsis is arranged according to these categories.[2]

2.1 Household and Family Structures

Seven papers were prepared relating to this area of research. These papers covered the following topics :

- participation of women in the labour market and how this affects marriage and job paths
- effects on children of new family patterns
- increasing number of one-adult households
- the consequences of family changes on earnings
- the formation of households by young people.

Women in the Labour Force

Participation of women in the labour force has increased dramatically during the past two decades. The Review research, however, concludes that women's progress in employment has not been accompanied by similar gains in their economic situation.[3] Incomes of females mostly remain lower than males, and while job opportunities and career variety have increased for women, relatively more of these jobs and careers are in lower-paid occupations. In addition, women's marriage patterns seem to be more and more discontinuous due to family disruptions and child-bearing obligations. Furthermore, it does not appear likely that women's family situation will stabilize in the short term. This will have negative impacts on job-path stability and on standards of living. In brief, the future socio-economic position of women seems far from secure.

---

[1] "Update Number Five: The Review of Demography and Its Implications for Economic and Social Policy," Health and Welfare Canada, December 1988.

[2] See Appendix B for title references of Review papers.

[3] Le Bourdais and Desrosiers (reference 1 in Appendix B).

Effects on Children of New Family Patterns

Upheavals in the traditional family framework of one bread-winner (usually the father) and one-homemaker (usually the mother) have led to new adult lifestyles which are having repercussions on the lives of children. The major changes in family patterns which have occurred during the past three decades are: increased marital instability, reduced family size, higher divorce rate, greater occurrence of single-parenting, much higher incidence of families with both parents in the labour force, and delay in child bearing to later in life.[1]

Current statistics indicate that 20 per cent of children now see one of their parents leave the household during their childhood. Increasingly Canadian children are raised by mothers who must combine child-rearing duties with the demands of an outside job. This accumulation of responsibilities cannot take place without the transfer of some parenting tasks traditionally assumed by mothers to other parties (child-care centres, relatives, baby-sitters, schools). This transfer is occurring more and more frequently, and increasingly early in the lives of children. Moreover, this trend will likely continue to grow and will be an integral part of the new family life of Canadian children.

One-adult Households

The proportion of the population living alone has tripled since 1921. This increase is consistent across most adult age-sex categories, but is greatest among older women. An important reason for the rise in the proportion living alone is growth in real incomes. With the rise of incomes, more people can afford the luxury of separate living, with the privacy and independence it affords. Also, since the proportion of people living alone rises with age, the aging Canadian population means that the proportion living alone in this country will continue to rise. In addition, the differences in life expectancy between men and women means that a majority of older one-adult households are more likely to be widowed females.[2]

Family Change and Earnings

Lone-parent families, childless couples, and two-earner families now account for a major proportion of Canadian families, while the once-dominant bread-winner family, in which the father went out to work while the mother remained at home with the children, has been reduced to a minority position.[3]

These changes in family composition, primarily the increase of one-parent families, has meant greater inequalities in income distribution among the Canadian population. Incomes of two-earner families are naturally, on average, the highest compared to other types of families. The income status of lone-parent families, on the other hand, has fallen relatively further behind husband-wife families. This has served to increase the degree of income inequalities among families.[4]

---

[1] Marcil-Gratton (reference 3 in Appendix B).

[2] Burch (reference 4, Part I, in Appendix B).

[3] McQuillan (reference 4, Part II, in Appendix B).

[4] Ibid.

The greatest difficulties are faced by young, female lone-parent families.[1] The difficulties faced by these young women in combining employment with the responsibility of parenting no doubt accounts for their financial situation. Fortunately, the research reveals that the financial situation of female lone-parent families improves with the age of the mother. As children grow older, involvement in the labour force becomes easier for the mother and eventually the children come to contribute as well. The problems facing young lone-parent families, however, remain a source of concern, the more so since the number of such families has been increasing rapidly in recent years.

Young Households

Household formation data over the past three decades indicate that young households have increased substantially during the 1960s, 1970s and 1980s. The rate of growth of households headed by persons aged 15 to 24 and 25 to 34 is markedly higher than for households headed by persons aged 35 and over. This trend is of course linked to the increased population born during the baby boom. In addition, the increase in young households is also linked to the tendency for a greater number of young people to leave the family home without immediately getting married. More young households are postponing marriage or opting to remain single. The increase in young households is further linked to the rising rates of separation and divorce.[2]

Moreover, the favourable economic climate of the 1960s and 1970s, coupled with a more diversified and more accessible housing supply, allowed large numbers of young people to realize their wish to be self-supporting and to live independently.

The process of formation of young households varies from province to province. Generally speaking it is higher in the western provinces than in the Atlantic provinces. These variations in large part reflect the differences in economic climates; the economies of the western provinces generally improved more during the 1960s and the 1970s than the economies of the Atlantic provinces. Differences in levels of economic growth affect youth migration, and this too partly accounts for the variations in household formations between provinces.[3]

2.2 Population and Economic Growth

Three papers were prepared relating to this area of research. These papers covered the following topics :

- effects of age structure and family sizes on the economy
- demographic changes and gains in productivity of labour
- declining labour supply of older Canadians.

---

[1] Ibid.

[2] Morin, Rose, and Mongeau (reference 5 in Appendix B); and Balakrishnan and Grindstaff (reference 6).

[3] Ibid.

Age Structure, Family Sizes and the Economy

Fertility changes over the past half-century have been the dominant demographic influence and are the major determinant of the present age structure of the population. Immigration has of course been a significant factor in determining the rate of population growth, and falling mortality rates have raised life expectancies, but swings in fertility levels are the main cause of the aging Canadian population.[1]

Family size is largely a matter of choice in contemporary society. Decisions about numbers of children are to a large extent closely linked to other household decisions involving leisure and the allocation of lifetime wealth. Implicitly or explicitly, family size is related to decisions about labour force participation, income, saving, and consumption.

Lower fertility rates and the trend towards smaller families mean that the proportion of elderly people in the population will continue to increase well into the next century. Some of the research of the Review suggests that there would in fact be major impacts on the economy as a result of the inevitable changes in the age structure of the population and family sizes.[2] These impacts include a declining rate of growth of the national product, a lower rate of saving, a falling real rate of interest, an increasing ratio of capital stock to output, and higher levels of average labour productivity. The latter is largely a consequence of a somewhat older and more experienced labour force. These changes, however, are for the most part at least two decades away.

Demographic Changes and Productivity

The Review has provided some research into socio-demographic factors which help to explain variations in productivity. An aging, more experienced labour force, as well as a more educated young population, with a larger component of women in the work force, have apparently brought about and are likely to continue to result in substantial productivity gains.[3] However, predictive results on the future of productivity, given the Canadian context of socio-demographic changes, are not conclusive. This remains an important topic of research.

Labour Supply of Older Canadians

One of the prevalent economic trends in recent years has been the decline in the labour force participation of older men. In 1973, 89 per cent of men between the ages of 45 and 64 were in the labour force, but by 1986 their participation rate had fallen to 81 per cent. Some of this decline represents early retirement, but a large portion of it is likely due to unfavourable economic downturns, structural adjustments in the economy, and changing job requirements, all of which could have the effect of inducing older workers out of the labour force. The Review identified some personal characteristics of older workers which influence the decision to retire, to withdraw from the

---

[1] Denton and Spencer (reference 8 in Appendix B).

[2] Ibid.

[3] Adamcyk, Lasserre and Ouellette (reference 9 in Appendix B).

labour force or to supply fewer hours of paid work, but it also concluded that a major determinant of reduced labour supply of older Canadians in recent years is the lack of labour demand -- as evidenced in the disappearance of jobs and the lack of available replacement positions.[1]

2.3 Regional Development and Migration

Six papers were prepared relating to this area of research. These papers covered the following topics :

- relations between regional development and migration
- small community studies
- urbanization.

Relations

There is a close relation between migration and the relative economic importance of regions. Using per capita incomes and unemployment rates as comparative indicators of relative development, the Review has shown that regional differences in development have been a regular feature of the Canadian landscape since such data were first collected in the 1920s.[2] In terms of the relative positions of provinces with respect to the rest of the country, it has consistently been the case that provinces with high out-migration rates are also those with below average personal incomes and decline in their shares of the national income.

Interregional migration is often referred to as an "adjustment mechanism" which is a response to changing local economic circumstances. In particular, the movement of people in Canada, both internally within a province and across provinces, is to a large part, though not exclusively, determined by the attraction of new work possibilities.[3] Regional development programs by successive Canadian governments have thus mostly focused on supporting initiatives which enhance local job opportunities.

Small Community Studies

Differences across the country in patterns and reasons for migration were observed by Review researchers. While the general national trends are consistent with the expectations of a labour market theory of migration -- i.e., people move from areas of lower income and fewer job opportunities to areas of higher income and greater job opportunities -- the picture is more complex when examining the unique experiences of individual communities. With this in mind two small community studies were carried out.

---

[1] Osberg (reference 10 in Appendix B).

[2] Carel, Coffey, and Polèse (reference 11 in Appendix B).

[3] Ibid.

One of these studies focused on the Newfoundland communities of Anchor Point and Bird Cove.[1] The main purpose of this project was to examine migration and the role that it plays in the life of small Canadian communities. The main conclusion is that migration has to be understood within the context of local social as well as economic dynamics. It is because of the social aspects in terms of people's day-to-day behaviour, satisfactions, aspirations and disappointments, that we see many people choosing to stay in such communities, many that leave choose to return, and some outsiders moving into the communities to live. These phenomena appear to contradict the labour market explanation of migration patterns, particularly since average incomes in these communities are lower than the national average, and official unemployment rates and reliance on unemployment insurance are higher.

Another community study focused on the Inuit population in Arctic communities.[2] This study examined implications of the high population growth rate of the Inuit on social and economic change. The current Inuit population of the Arctic faces problems of high unemployment, low levels of education attainment, decline of traditional language and culture, dependence on welfare and increased social breakdown. When these problems are projected into the future with the high Inuit population growth rate and the seemingly low propensity for out-migration, the potential for dramatic social and economic failures takes on tragic proportions. The author of the study suggests that, beyond a government economic assistance approach, a comprehensive social development policy is needed to properly address the problems of the Inuit.

Urbanization

During the past fifty years, the population of Canada has become increasingly urbanized. The proportion of the Canadian population in cities rose from 53 per cent in 1931 to 76 per cent in 1981, an increase of approximately 44 per cent living in cities as compared to rural locations. The process of urbanization has been even more pronounced for the Prairie provinces, which traditionally are farming areas. For these provinces the proportion of the population residing in cities has risen from 32 per cent in 1931 to 69 per cent in 1981, an increase of approximately 114 per cent.

Chart 14 in Appendix A in this report shows that rural depopulation has been largely, over the past three decades, due to losses in the farm population (in contrast to the rural non-farm population, which has increased). This explains why the Prairies, and particularly Saskatchewan, have experienced a much higher degree of urbanization compared to other provinces.[3] As agricultural production became more capital intensive, the same area of farm land could be worked by fewer people -- hence a decline in farm population ensued.

Projections of the Review suggest that the urbanization process will continue to occur into the twenty-first century. However, much of the growth of urban areas in the future will likely come from immigration and inter-urban migration. This implies competition between urban centres and differential growth patterns within the overall urban system. While rural-to-urban migration will continue to grow, it is not likely to do so at the same high rates of the past few decades.

---

[1] House (reference 13 in Appendix B).

[2] Irwin (reference 14 in Appendix B).

[3] MacLean, Anderson and Li (reference 15 in Appendix B).

2.4 Changing Character of the Society

Eight papers were prepared relating to this area of research. These papers covered the following topics :

- the growing elderly population and its impact on government services and support networks
- immigration and its impact on the ethnic and linguistic character of Canada
- the role of immigration in changing socio-demographic characteristics.

Government Services and Support Networks

One of the important subjects covered by the Review was the aging Canadian population. It was observed by Review researchers that by the year 2006 there will be a dramatic increase in the proportion of the population which is elderly.[1] Moreover, there will be a similarly significant decline in the proportion of the population which is under twenty. Thus, the overall level of demographic dependency (i.e., persons who are over 65 and those who are under 15 as a proportion of total population) will change little, although its structure will alter with the elderly accounting for increasingly more of the dependent population.

Federal, provincial and municipal governments will have to find new ways to deliver more services and facilitate new forms of housing for the elderly. However, their ability to do so is likely to be constrained by the limits on their sources of revenue, particularly property taxes and external grants (for municipalities). At the federal and provincial levels there will have to be a reallocation of resources from other areas to spending on the elderly. There will also have to be a better understanding of regional and local distribution of the population by age structure. Communities where the proportion of the population that is elderly is high will tend to be more vulnerable to public policies and will constitute a more significant component of income security programs. Thus, a greater understanding of the geographic variation in the distribution of the elderly and how this impacts on local markets is needed in order to appropriately allocate federal program funds.

In view of the inevitability of the aging population, and the strains on resources that a higher level of demographic dependency will generate, it becomes important to examine the types of family living arrangements and support networks that could service the elderly in the future. One of the conclusions which emerges from the Review is that tomorrow's elderly will likely seek greater support within the family context, first from their respective spouses, and second from their children.[2] For those more isolated individuals who are spouseless and with few descendants it would seem, based on

---

[1] Moore and Rosenberg (reference 17 in Appendix B).

[2] Ibid.

the research of the Review, that they will get the support they need elsewhere, without experiencing greater isolation and without putting a greater burden on formal services.[1] To have had few children and to have very reduced immediate family around one will likely be frequent among tomorrow's elderly, but the future elderly will also most probably compensate for the lack of intergenerational links by a greater use of support networks, which could be made up of friends and kin.[2]

Immigration Impact on the Ethnic and Linguistic Character of Canada

The ethnic composition of Canada has been changing substantially since the Second World War, primarily through immigration. Not only have the numbers of immigrants fluctuated from year to year but also their ethnic origins. The shift has been from Western Europeans to Southern and Eastern Europeans in the 1950s and 1960s; and, in the last two decades, from European to Asian, Central and South American, and African origins.[3]

The Review has also shown that recent immigration patterns suggest that there will continue to be considerable impact on the changing ethnic mix of Canada, particularly in the urban areas.[4] Urban areas are very different from each other in the number and type of immigrants that they attract, and in the magnitude of ethnic concentrations and segmentation found within them.

In spite of the ethnic diversification of Canada this has not markedly changed the linguistic duality of the country.[5] While the decrease in the proportion of Canadians of French-origin has been a significant trend since 1951, the proportion of the Canadian population who *speak* French has not decreased. In 1986, as in 1951, 32 per cent of Canadians indicated that they are fluent in French. What has changed markedly is the proportion of Canadians who are bilingual in the two main languages. In 1951, 12 per cent of Canadians could speak English and French, but by 1986 this proportion had risen to 16 per cent.

Immigration Impact on Socio-Demographic Characteristics

In Canada, natural increase has almost always been the predominant factor in population growth.[6] Since the turn of the century, however, net immigration has accounted for a large proportion of about 21 per cent of population growth. Immigration has a slight impact on the age structure of the population in that immigrants generally have median ages around 25 to 28, while the median age of the receiving population reached 32 years in 1986. This means that the majority of immigrants coming to Canada are of working age, representing a youthful supply for the labour force.

---

[1] Péron and Légaré (reference 23 in Appendix B).

[2] Marcil-Gratton and Légaré (reference 22 in Appendix B).

[3] Balakrishnan (reference 19 in Appendix B).

[4] Ibid.

[5] Lachapelle and Grenier (reference 24 in Appendix B).

[6] Beaujot and Rappak (reference 20 in Appendix B).

Immigration also has an important impact on the geographic distribution of Canada's population. Most immigrants tend to settle in the larger urban centres, thereby contributing to the urbanization process. In a democratic Canada where people are free to choose where they live, immigration cannot be seen as a means of demographic redistribution to areas of lower population concentration. Thus it is likely that immigration will continue to impact on urbanization into the next century. Clearly, economic opportunities are greater in the urban centres, and therefore it is natural to expect immigrants to continue to seek their fortunes accordingly.

Immigrants on average have higher levels of education and skills than the average Canadian. As of the 1986 Census, 25 per cent of the foreign-born had some university education compared to 20 per cent of the Canadian-born, at ages 25-64. The educational advantages of immigrants are stronger for men. Since women are more likely to arrive as dependents, they are less likely to be selected on educational characteristics than are their husbands.

As a group, immigrants have average incomes that compare favourably to the Canadian-born. Naturalized Canadians who have been in Canada for at least a decade earn on average more than Canadians born in Canada. Among men, in 1970 naturalized Canadians as a whole had an average income that was 8 per cent above the Canadian-born average, in 1980 it was 12 per cent above, and in 1985 it was almost 12 per cent above. For women, the average incomes of both foreign and Canadian-born citizens were basically the same in 1970, while in 1980 the average income of foreign-born women was 7 per cent above that of the Canadian-born, and in 1985 it was 6 per cent above. These statistics imply that immigrants have a positive effect on the average total income in Canada.[1]

In terms of official languages of Canada, according to the Review, immigration has tended to benefit the English more than the French.[2] In total, immigration has an impact on the relative proportions of Canadians by knowledge of the official languages. While the extent of the impact of immigration varies over the years, immigration is generally one of the main elements producing an increase in the proportion of English-speaking people in Canada.

Immigration also plays a key role in terms of increasing the visible minority component of the Canadian population. From 1981 to 1986 the visible minority component increased from 5 per cent to 10 per cent.

2.5 International Population Movement

Two papers were prepared relating to this area of research. These papers examined international migration flows, changing Canadian immigrant origins, decline in international fertility rates, and future demographic paths.

Immigration Flows and Immigrant Origins

The characteristics of immigrants entering Canada have changed dramatically since the passage of new immigration legislation in 1967.[3] Prior to 1967 Canadian policy had employed a nationality preference system to explicitly

---

[1] Ibid.

[2] Ibid.

[3] Simmons (reference 25 in Appendix B).

favour immigration from Europe. The revised law opened the door to people of all national origins by eliminating preferences for particular national groups. Since 1967 some 2.8 million immigrants have come to Canada (more than 10 percent of the current total population in Canada) and, as one would expect, the total inflow has come increasingly from new sources, particularly Asia, the Caribbean and other parts of the Third World. Whereas four-fifths of immigrants to Canada once came from Europe (or countries of European heritage, such as the United States), now almost three-quarters come from Asia, the Caribbean, Latin America, and Africa.

Observations About the Future

In terms of future international population movement, the following observations emerge from the Review:[1]

- The world is currently undergoing dramatic social and political adjustments and this will likely mean that the number of potential immigrants to Canada will continue to rise over the next several years.

- The changes in immigration patterns brought about by the 1967 legislation, in conjunction with international demographic forces, seem likely to sustain the current trends of immigration to Canada. A high proportion of Third World immigrants is certain in future inflows.

- Canada seems assured of an ample supply of well-educated English speaking immigrants, but will likely have some problems attracting well-educated Francophone immigrants.

- One of the most important demographic phenomena which has occurred during the past three decades in the West, and particularly in Western Europe, is the decline in fertility. These countries are now generally identified as having very low fertility rates, and there are no indications that there will be a significant reversal of this trend. Canada is generally following the Western pattern of declining fertility.

- A large proportion of the European-origin population is approaching retirement age, and it is not being replenished by a sufficient number of new and young arrivals to ensure its replacement. Thus, the European-origin population will likely diminish and some ethnic communities and cultural groups which past European waves of immigration established will gradually weaken over the next three decades. The focus of multiculturalism will shift further to Third-World-origin groups who will have grown larger, will be relatively young, and will still be growing through new arrivals.

- Canadian society will continue to face significant challenge in seeking ways to avoid conflict between racial, linguistic and ethnic groups as the total number of non-European immigrants and their descendants increase. Given the expected high levels of immigration from non-European sources, the proportion of Canadian residents who were born in Third World countries will very likely rise above 10 per cent over the next 20 years--this should take place even if there are periods of greatly reduced inflow in the future just as there have been during the first half of the 1980s.

---

[1] Ibid.

III. LIVING ENVIRONMENTS : IMPLICATIONS

In this report, "living environments" is used as a general phrase which refers to social and economic settings within which people live and interact for work and recreation. Various demographic processes and patterns of change associated with living environments have been analyzed and discussed by researchers of the Review. In this regard, discussion about relevant Review findings (which were presented in the previous section) and speculation on possible implications of these findings are presented on the following pages.

3.1 Urbanization

Discussion :

Various meanings which build on different professional perspectives could be attributed to the word "urbanization". In the demographic sense it simply means the change of a non-urban into an urban area primarily as a result of population growth. In Canada this urbanization has often happened to small localities just outside the perimeters of major metropolitan areas. In this case urbanization refers to encroachment by a metropolitan area, growing outwards and engulfing its surrounding domain. In other instances, "urbanization" means the growth of a rural locality, not necessarily in the immediate vicinity of a large city, by significantly increasing its population and by, on its own, taking on city-like features. This could well happen to a small, rural town particularly if it is economically successful and drawing in new enterprises.

In Canada most of the urbanization that has occurred over the past three decades is of the former variety. Because of urbanization, metropolitan areas in Canada have grown in population faster than the national average. The average growth rate from 1981 to 1986 of Canada's Census Metropolitan Areas was 5.9 per cent, notably above the national average of 4.2 per cent. During the 1981-1986 period Saskatoon ranked the highest among Canada's CMAs, with a population growth rate of 14.6 per cent.[1] Ottawa-Hull ranked second with a growth rate of 10.1 per cent, followed by Toronto with 9.5 per cent. The metropolitan areas of Calgary and Edmonton, which experienced very substantial growth rates of 33.2 per cent and 33.7 per cent during the 1976-81 perjod, grew by 7.2 per cent and 6 per cent, respectively, between 1981 and 1986.[2]

---

[1] This coincides with depopulation in the farming areas of the province. Migration from rural to urban Saskatchewan has in part contributed to the high growth rate of Saskatoon. See page 9, this report, and see MacLean, Anderson and Li (reference 15 in Appendix B).

[2] *Canada Year Book: 1988*. Statistics Canada, Ottawa, November 1987.

In addition to the growth rates of CMAs, 68 of Canada's 144 municipalities with populations in excess of 25,000 experienced rates of growth above the national average during the period between 1981 and 1986, with the highest occurring in suburban municipalities surrounding major centres. Nine of the 10 fastest growing municipalities were located in Ontario. Vaughan, which is near Toronto, was the fastest growing municipality, more than doubling its population by adding over 35,000 people, and Cumberland, near Ottawa, ranked second with a population growth rate of 67 per cent.

While urbanization is essentially a demographic phenomenon it is also an evolutionary process transforming the social and economic conditions of the community. Urbanization changes the living environment of people by providing more services and facilities within a more accessible and convenient framework. Hospitals, schools, sports centres, police departments, transportation services, shopping malls, office complexes, and many other services and facilities, all become part of an elaborate urban infrastructure which supports an ever increasing number of people.

Implications :

The urban population of Canada rose from about 53 per cent of the total population in 1931 to about 77 per cent in 1986. Given recent Canadian demographic trends (see Appendix A), it seems very likely that the process of urbanization, in general, will slow considerably during the next two or three decades. The projected decline of the population growth rate in Canada implies that many cities, particularly the smaller ones, will not grow or will grow at a falling pace. It is also quite likely that some areas will experience losses in population and as a result conceivably go through a period of reverse, de-urbanization -- this could occur particularly in resource or one-industry-based communities, triggered by economic downturns. The major metropolitan areas will probably continue to draw most of the new immigrants, and attract young, job-seeking Canadians away from the economically less diversified regions (i.e., generally the non-urbanized communities across the country).

If population growth slows down, as expected, or reverses itself in some areas over the next couple of decades, this could have various repercussions on the living conditions of Canadians. While the Review of Demography provided insights on issues related to urbanization -- such as the impacts of immigration on geographic distribution of population, prospects for regional population growth, and migration trends between urban and rural areas -- the implications of changing urbanization trends still need to be researched.

The relative distribution of future population growth across Canadian urban areas would be an important research project to consider -- particularly to identify future inter-urban movement of population, and to determine factors which influence demographic patterns in urban areas under various economic circumstances -- e.g., recession. The 1991 Census will provide some interesting opportunities to examine the changing urban demographic situation. Comparisons between 1991, 1986 and 1981 urban population distributions, respectively, against the fluctuating socio-economic backdrop as it occurred

over the decade, could provide valuable insights on the likely consequences of declining population growth and its urbanization effects.

One implication of declining urbanization could be a resurgence of central city districts. While in 1986 the cities of Toronto, Montreal and Vancouver continued to grow at a slower rate than the surrounding municipalities of the metropolitan areas, *these three central cities showed a marked turnaround in population growth.* For the 1981-86 period, Toronto increased by just over 2 per cent. This compares to a decrease of 5 per cent during the 1976-81 period and an even larger decrease of 11 per cent during the 1971-76 period. In the case of the city of Montreal, the population showed little change between 1981 and 1986, compared to declines of about 10 per cent in each of the periods 1976-81 and 1971-76. The population of Vancouver increased by just over 4 per cent for the 1981-86 period, up from about 1 per cent during 1976-81 and a decline of 4 per cent during the 1971-76 period.

If these apparent reversals in central city areas continue, in the context of a general slowing down of population growth, it could have implications such as slowing down suburban growth (which could also mean a decline in the relative volume of *new* home purchases -- see section IV of this report for housing implications).

The implications of changes in urbanization trends could be quite drastic if these changes were to occur suddenly. However, as generally indicated by the research on population growth provided in the Review, it is likely that, as in the past, demographic shifts will happen gradually, drawn over many years with piecemeal adjustments made to our economic and social infrastructure. The actual course of development will be influenced partly by government policy responses to demographic pressures, and partly by reactions of our economic and social institutions.

3.2 Rural Environments

Discussion :

As the close of the twentieth century nears, rural Canada appears less and less physically isolated from the rest of the country. Technological progress has brought most rural communities in closer contact with urban areas. Improvements in communications systems, expansion of transportation networks, and broadening of the reach of the media, have meant that many of the social and economic benefits of city-living have been extended to rural communities.

In spite of these changes, however, rural populations in Canada have been declining as a proportion of the total. One of the studies of the Review of Demography investigated this phenomenon of "rural depopulation"[1]. The focus of

[1] MacLean, Anderson and Li (reference 15 in Appendix B).

this study was primarily on the province of Saskatchewan, traditionally a farming region. The authors observe that the rural areas of Saskatchewan have been losing their population to the cities at a rate higher than the national average. The proportion of Saskatchewan residents living in rural areas declined from 80 per cent in 1931 to 39 per cent in 1986. This trend is particularly due to losses in the farm population, which in turn is largely because agricultural production has become more capital intensive -- the same area of farm land can now be worked by fewer people.

On the other hand, the Saskatchewan depopulation study also concludes that one of the components of rural population change is a shift in the settlement patterns of elderly people. A growing proportion of people 65 and over have moved to small towns and villages from farms and from cities during the past 15 years. In 1986, the elderly population constituted 21.3 per cent of residents in towns and villages, whereas provincially in Saskatchewan they made up only 12.4 per cent. Increases in the rural elderly population is one factor which contributes to growth in some towns and villages of Saskatchewan, thereby going against the general trend of declining population growth in the province.

The study further concludes that elderly people stimulate small town economies not simply by contributing to their population growth, but also by making greater use of local services and businesses than people of other age groups. Thus it would seem that, to some extent, the diversity of services and the volume of retail sales of towns and villages will depend, in the future, on continued increase of the elderly population. While the study focused only on Saskatchewan, these conclusions likely equally reflect what could happen in some rural communities in other provinces across Canada, especially in the other Prairie provinces.

Implications :

As the process of urbanization continues, albeit at a slowing pace, and as the growth of Canada's technological capabilities expand further, closer physical linkages between most areas in the country will result. More of the benefits of city living will be accessible to rural communities. This will narrow some of the differences between urban and non-urban life and most likely increase the attractiveness of rural environments for some segments of the population. Some evidence was provided by the Review that population migration to rural Canada (non-farm) could continue to occur in the future, particularly by the elderly.[1] The Review research implies that there is modest growth potential for some local rural economies, especially for local, service sector industries (such as health, retail, transportation and residential services), which are necessary to maintain the basic infrastructures needed to sustain towns and villages.

The extent to which migration to non-urban areas by certain segments of the population could become a trend, continuing through the 1990s, is not thoroughly examined by the Review, especially on a national basis. When data from the 1991 Census become available, it will be appropriate to re-examine

---

[1] Ibid.

urban to non-urban migration trends, the socio-demographic characteristics of migrants (e.g., age, education, occupation), and the possible national economic consequences of potential growth in non-urban populations.

Offsetting any trend towards rural communities, however, are powerful social and economic forces pushing and pulling the younger population towards the larger urban areas. The prospect of moving to the city, to take advantage of more varied job opportunities and to participate in a more diverse cultural and social experience, has always attracted the young. This attraction is likely to continue in the future, depleting some of the prospects for population growth in rural areas. Here again, the 1991 Census is likely to yield some interesting results on recent patterns of migration of young Canadians, and provide insights on likely future changes.

3.3 Regional Development

Discussion :

The commitment to regional development has always been a part of Canada's political and economic institutions. In fact this commitment is considered to be so fundamental that it was enshrined in Part III of the Constitution Act, 1982. Over the years, regional development in Canada has generally come to mean the reduction of disparities in economic opportunities between different areas within and across provinces. Regional development programs by successive Canadian governments have mostly focused on supporting initiatives which enhance local job opportunities. These programs have had some success in limiting migration flows out of certain regions, but for the most part the movement of people in Canada, both internally within a province and between provinces, has been determined by real economic incentives brought about by the attraction of new work possibilities in the more industrially diverse areas of the country.

The Review of Demography has studied the effects of migration on regional population growth. Regional disparities will continue to be an issue during the next few decades, particularly since the more industrialized and urbanized areas will continue to grow, perhaps at the expense of smaller, less prosperous communities.[1] The increasing role of the larger metropolitan areas (Toronto, Montreal, Vancouver) is demonstrated by the continuing movement of migrants from other parts of the country, including respective home provinces, towards these centres of economic activity.[2]

The impact of migration on regional development per se was examined essentially in two papers of the Review.[3] These studies addressed questions related to

---

[1] And in spite of the possible outflow of certain segments of the elderly population to small towns and villages -- see section 3.2 above.

[2] See Mason and Simpson (reference 16 in Appendix B).

[3] Carel, Coffey and Polèse (reference 11 in Appendix B); and Watson (reference 12).

future trends in population movements and their relationships with regional economic growth: for example, "If there were no such thing as regional policy, would everyone eventually end up living in southern Ontario? Or would people spread themselves about the country in more or less the way they have? And what bearing does demographic change have on these questions?"

Implications :

The general implication for regional development, arising out of these papers, is that the slow-down of population growth and the aging of the population in Canada, over the next two decades, will likely have an accentuating effect on regional disparities, both between and within provinces. As the demand for labour increases, with smaller proportions of the population in the workforce, persons seeking work will gravitate towards the main urban areas with greater employment opportunities, in spite of policy-induced regional development incentives. The more industrialized urban centres (Toronto, Montreal, Vancouver) will increasingly gain a larger relative proportion of the workforce. This will have an impact on inter-regional as well as intra-regional differences. On the other hand, somewhat offsetting this trend, as suggested in the previous section, there is some evidence that some of the retiring population of elderly persons may well move in the other direction towards the more attractive small, non-urban communities -- thus providing some prospect of growth in these areas.

3.4 Immigration

Discussion :

The arrival of immigrants from all corners of the earth to Canada, ever since the mid-nineteenth century, has led to a rich multicultural heritage in this country. One of the conclusions of the Review of Demography is that if current trends in immigration persist,[1] and if Canadian birth rates remain low, the ethnic composition of Canada will gradually become more and more diverse. The increasingly multicultural aspect of our society will have significant implications on how we live and how we view ourselves and the world about us. While the diversity will increase, there is likely to continue to be concentrations of some people in certain areas. New arrivals to this country usually settle in the metropolitan centres where job opportunities are greatest. This results in considerable cultural diversity in these areas, in contrast to the more homogeneous character of rural Canada.

Immigrants to Canada are chosen on the basis of how well they are likely to adapt to the Canadian way of life. Canadian immigration officers apply standard assessment criteria to applicants from all over the world and, except for refugees and sponsored relatives, select those with skills in short supply in Canada or whose skills could contribute to the development of the country.

---

[1] The Federal government recently announced new directions in immigration policy which will allow even greater numbers of immigrants to enter Canada each year over the next five years, as compared to annual immigration over the past couple of decades.

Throughout the country's history, immigration has played an important role in shaping Canadian society. A new Immigration Act was passed by Parliament in 1976. This Act introduced a number of new directions to Canada's approach to immigration. Among these changes were the following:

- linkage of targeted immigration levels to demographic and to labour market considerations;
- creation of a new "family class" with more flexible criteria for sponsorship of relatives;
- creation of a new category of refugees, who are admitted into Canada under the government's annual refugee plan or under the refugee sponsorship program;
- shortening of the period after which an immigrant can apply for Canadian citizenship from five to three years; and
- identification in more precise terms of the mandate of the Federal government and its officials with respect to immigration.

Under this revised legislation, immigrants are selected under three admissible classes -- the family class, refugees, and independents and other applicants who apply on their own initiative with or without the assistance of relatives in Canada. Except for refugees, retirees, and members of the family class, applicants are assessed against a detailed point system based on education, vocational training, experience, prospects for employment, a pre-arranged job, destination in Canada, age, knowledge of the English and French languages, personal suitability, and the presence of relatives in Canada. Although the overall number of immigrants Canada can absorb is set by the Federal government, there is no specific quota on the number of immigrants admitted from any particular country or area of the world.[1]

The changes which took place in the late 1970s to Canada's immigration policy have reaffirmed this country's commitment to the principle of non-discrimination in selecting applicants. It has also meant opening the doors to many refugees and immigrants from Third World countries with considerably different social and cultural customs. The Review of Demography has shown that the origins of immigrants have indeed changed considerably from decade to decade since the turn of the century (see Appendix A). During the first half of the century, immigrants to Canada came mostly from Europe, especially Great Britain, and from the United States. In each decade since 1961, the range of source countries has broadened and new countries have entered the list of top ten source countries (many of them Asian, Caribbean or Latin American).

---

[1] The targets based on the new immigration policy announced recently by the Federal government are: 200,000 persons for 1990. 220,000 persons for 1991, and 250,000 for each year from 1992 to 1995.

Immigration is far more diverse now than it was a quarter of a century ago in terms of the national, linguistic, religious and racial backgrounds of persons coming to Canada. This changing nature of immigration has transformed the socio-demographic make-up of this country. The impact, however, has largely been an urban phenomenon and primarily west of the province of Quebec. Cities in the Atlantic provinces and Quebec, except for Montreal, have seen little change in ethnic mix. Changes have been more pronounced particularly in Ontario and the West, and mostly in the larger cities such as Toronto and Vancouver.

Implications :

The changes in the origin of immigrant streams to Canada which have occurred over the past 20 years or so, have had a gradually increasing impact on the racial, ethnic and cultural composition of Canadian society as a whole. In the short term, however, over the next five years or so, the effects of the shifts in immigrant origins will be confined largely to the major metropolitan areas. The main reason for this is that most Third World immigrants settle in Toronto, Montreal and Vancouver.

To date, the absolute inflow of immigrants to Canada has generally been small relative to the overall size of the Canadian population, less than 1 per cent annually. However, as the non-British and non-French component of the population grows, as it surely will over the next couple of decades (see section A.10 in Appendix A), Canadians in all places will be called upon to more seriously contemplate the variety of ethnic talents and contributions to the country's social and economic environment -- thereby re-emphasizing the vision of Canada as a mosaic of many different groups sharing similar interests and goals.

One of the most critical factors in the social and economic development of Canada, as we enter the 21st Century, will be the effectiveness with which multi-ethnic human resources are utilized. A 1987 study carried out for Secretary of State Canada shows that foreign-born Canadians had lower unemployment rates than those born in Canada -- 5 per cent compared to 8 per cent, at the time of the study. More recent immigrants had a higher unemployment rate than earlier immigrants -- but that figure was still below the unemployment rate of persons born in Canada.[1] Similarly, analysis of labour force data show variations in participation rates by period of immigration. Generally, immigrants have a higher participation rate than native-born Canadians. Comparisons of post-war and pre-war immigrants have generally shown the former to have considerably higher rates than the latter, primarily reflecting the significant aging of the pre-war group.

---

[1] *A Profile of Multiculturalism in Canada*, prepared by TEEGA Research Consultants Inc. for Secretary of State Canada, Ottawa, June 1987.

These data quite clearly reflect immigration policies which to a large extent focus on labour force requirements in the country. As a complement to structural adjustment in the labour force, immigration policies obviously have an important impact. However, the increasing ethnic diversity which results from these policies have their implications for future policy and program decision makers. In particular, it is likely going to become extremely important to provide appropriate funding for the expansion of government initiatives which control and reduce the possibility of inter-ethnic animosities and racial conflict in the workplace.

3.5 Multicultural Character

Discussion :

One of the Review studies has shown how recent immigration has had a considerable impact on the changing ethnic mix, particularly in Canadian cities.[1] This study reveals that cities are very different in the number and type of immigrants that they attract and in the magnitude of ethnic concentrations and segregation found within them. Ethnic concentrations do not seem to have resulted in western cities such as Calgary and Edmonton. On the other hand, some concentrations have occurred in Montreal, Toronto, and Vancouver, particularly among visible minorities, Italians, and aboriginal peoples. Two-thirds of all immigrants to Canada during 1976-1986 -- and almost three-quarters of visible minority immigrants -- headed for these three largest CMAs. Toronto attracts almost 40 per cent of all immigrants headed to metropolitan areas.

Metropolitan population projections produced by the Review of Demography show that if the present trends in low Canadian fertility[2] and high immigration from

---

[1] Balakrishnan (see reference 19 in Appendix B).

[2] Census data indicate that fertility rates of foreign-born women are generally similar or lower than those of Canadian-born women (see T.John Samuel, *Immigration and Visible Minorities in the Year 2001: A Projection*, Working Paper No. 1, Centre for Immigration and Ethno-Cultural Studies, Carleton University, Ottawa, October 1987). The increasing multi-ethnicity of the Canadian society is not considered to be due to fertility differentials between minorities and the two founding races, but rather primarily as a result of, first, the multi-racial immigrant inflow and, second, the aging of the British/French-origin population with a declining proportion of them in the child-bearing ages. While, in general, fertility rates of non-British and non-French groups are similar to the mainstream in Canada, the proportion of individuals in these groups who are of child-bearing age is higher than the comparable proportion of the British and French groups.

non-European sources continue, the ethnic mix of Canadian cities will change by the year 2001 in quite varying degrees.[1] Taken as a total, the CMAs will show a small decline in the proportion of the population who are of British origin, from 40 per cent in 1986 to 39 per cent in 2001, and in the proportion of the population who are of French origin, from 24 per cent to 23 per cent. The relative proportions of most other European groups will also decline slightly, whereas the visible minority population will increase from 8 per cent to 11 per cent of total citizens living in CMAs. Toronto, which is already an ethnically diverse city will be even more so. By the year 2001, the proportion of Torontonians who are of British origin will decrease from 48 per cent of the total to 45 per cent, and the proportion who are of visible minority groups will increase from 14 per cent of the total to 18 per cent. On the other hand, the ethnic share of the population in smaller CMAs in the Atlantic and Quebec provinces are expected to show little change.

Implications :

The impact of continuing trends in immigration on Canada's population will depend on certain factors identified by researchers of the Review of Demography.[2] To begin with, a large proportion of the European-origin population of Canada is generally approaching retirement age, and it is not being replenished by a sufficient number of new and young arrivals to ensure its replacement. The European-origin population therefore can be anticipated to diminish somewhat. Some ethnic communities and cultural groups which past European waves of immigration established will gradually weaken. The focus of multiculturalism will shift further to Third-World-origin groups who, in 20 years or so, will have grown larger, will be relatively young, and will still be growing through new arrivals.

The proportion of Third-World-origin residents is expected to rise, without great difficulty, above 10 per cent over the next 20 years (i.e., by the year 2010). This should take place even if there are periods of greatly reduced inflow of immigrants in the future, just as there had been in the early 1980s.

As the discussion above indicates, the shift in focus to new ethnic communities will not be evenly felt across Canada. Rather it will be concentrated in some of Canada's major cities (Montreal, Toronto, Vancouver -- see above). However, Canadians as a whole, in all parts of the country, will continue to face significant challenge in seeking ways to avoid conflict between racial, linguistic and cultural groups, as the total number of Third World immigrants and their descendants rise.

The possibility of economic inequality among the cultural and racial groups cannot be ignored -- especially given the expected increases in the multi-racial component of the population. Traditionally, the long-established

---

[1] Balakrishnan (reference 19 in Appendix B).

[2] Simmons (reference 25 in Appendix B).

European-origin groups have been more upwardly mobile than other minorities.[1] However, over time, many smaller ethnic communities have become successful both in economic and social terms. But such changes have been slow and there is a continuing immigration from increasingly diverse sources. Job discrimination becomes one of the main concerns as diversity increases.

Social and economic inequality obviously is not a desirable feature for the future of the country. When multicultural groups are divided along social and economic lines, tensions are likely to arise. While these tensions may not necessarily express themselves in overt conflict, although this is a distinct possibility, some members of disadvantaged ethnic groups could become increasingly defensive and even perhaps accept inequality as unavoidable. This would not be conducive to the long-term interest of the country and all its people in general. Thus, modes of response to real or potential ethnic inequalities and the relation between ethnic conflict and other forms of conflict in our society will need to be carefully studied.

3.6 Linguistic Make-up

Discussion :

Canada's immigration policy is guided by the concept of multiculturalism, which encourages new immigrants to retain their distinct cultural identities. For many groups in Canada cultural retention is an issue of group cohesion and survival. One of the main aspects of cultural cohesion is mother tongue retention. During childhood many Canadians have learned languages other than English or French, and they still frequently speak these other languages at home, at social events, and in the business environment.

According to the 1986 Census, Canadians who have English as their mother tongue make up 61 per cent of the total population, and those who have French as their mother tongue make up about 25 per cent. All other languages account for approximately 14 per cent of the total. In 1986, apart from the official languages, Italian and German were the most frequently reported mother tongues in Canada. Nine languages other than French or English were each reported as mother tongue by over 100,000 persons. Ontario had the highest number of persons reporting mother tongues other than English or French, followed by British Columbia and Quebec.

Despite the multi-linguistic trends, however, the cultural diversification of Canada has not effectively changed the linguistic duality of the country.[2] While fertility below the replacement level, international migration, and

---

[1] *Cultural Boundaries and the Cohesion of Canada*, by Raymond Breton, Jeffrey G. Reitz, and Victor f. Valentine, The Institute for Research on Public Policy, Montreal, 1980.

[2] Lachapelle and Grenier (reference 24 in Appendix B).

linguistic mobility all now exert downward pressure on the proportion of French-origin persons in the country, this decline is not accompanied by a decrease in the percentage of people reporting that they are capable of *speaking* French: in 1986, as in 1951, 32 per cent of Canadians indicated that they could conduct a conversation in French.[1] The main explanation for the divergence of these two trends is the rise in the social status of the French language, which has prompted a greater number of non-French-origin persons to learn the language. Thus even though French-*origin* persons have declined as a proportion of the total population, the increase in proportion of French-*speaking* (bilingual) Canadians has offset this decline. The English language is still predominant over French, but to a lesser extent than in the past

In spite of the trends regarding the proportion of Canadians who *speak* French, demographic projections for the future of Canada's bilingual character suggest increasing polarization between English-speaking and French-speaking areas.[2] The number of French Canadians living *outside* Quebec and the number of British Canadians living *inside* Quebec have declined gradually during the post-war period.[3]

In Quebec, the percentage of persons with English as their mother tongue has been falling since 1941.[4] This group accounted for 14 per cent of the province's population in that year, compared with approximately 10 per cent at the time of the last Census (1986). On the other hand, in most provinces other than Quebec, there has been a marked downward trend since 1981 in the proportion of persons who are French Canadian, continuing the trend from previous censuses. In 1986, 843,000 persons living outside Quebec indicated French as their only mother tongue. During the same period in Quebec, the number of persons with English as a mother tongue also fell noticeably. In 1986, 580,000 persons in Quebec reported English as their only mother tongue.

Implications :

In future, competition between population-growth requirements of French versus English Canada is likely to continue to manifest itself in the political arena, particularly with regards to immigration policies and planning levels. Recent agreements between the province of Quebec and the federal government aim at further streamlining the immigration process, such that a relatively even balance between immigrants to Quebec and to the rest of the country is achieved and maintained.

---

[1] See Chart 16 in Appendix A.

[2] Lachapelle and Grenier (reference 24 in Appendix B).

[3] Some dimensions of future linguistic composition in Quebec and patterns of language mobility are identified in Veltman (reference 18 in Appendix B).

[4] This was the year of the first census from which we have language data that can be compared with today's data.

However, complicating this process is the language effect of having an increasing proportion of immigrants coming to Canada from Asia, Latin America, and Africa, as opposed to the traditional European sources. The shift in immigrant sources is likely to mean that a greater number of immigrants will not have a sufficient working knowledge of either of the official languages. This implies that more emphasis on official language training will be required, since knowledge of English and/or French is a prerequisite for adequately functioning on a day-to-day basis in this country.

In addition, due to the increasingly multicultural character of Canada, pressures for preservation of minority languages, especially in the context of education programs, will increase. Education is one of the most important areas of our society where the impact of increasing ethnic diversity is more immediately felt. This component must most certainly be taken into account when considering language matters. Until the 1980s, Canadian school boards and teachers generally chose to avoid discussion of ethnic and language differences, perhaps well intentioned in their effort at trying not to "make an issue of it".

However, events such as the "Keegstra affair" and efforts by self-professed extremist groups to infiltrate schools, appear to have induced educators to find ways of addressing negative racist influences on students. Various curricula and teaching materials have been prepared and tested and many school boards across Canada have examined ethnic issues concerning their communities. A basic challenge for provincial education systems is the development of appropriate curricula which will encourage tolerance and allow various ethnic groups to identify with the educational content of schooling materials.

A second challenge is the inclusion of minority language training options in the curricula, in recognition of ethnic aspirations. Language retention is an important aspect of multiculturalism. The government of Ontario, for one, recognizes this and has had a "heritage" language program for about twelve years now. It is currently an option offered by school boards in Ontario. Provincial governments will likely experience pressures for funding increases, in the years to come, for language programs such as that in Ontario.

3.7 Social Services

Discussion

The goal of Canada's social security system is to ensure that all Cahadians have at least a minimum of resources to take care of their basic needs. Several income security and social service programs have been designed to attain this goal. Particular groups such as seniors, low-income families, and disabled persons are targeted to receive federal government financial benefits and provincial social assistance. In addition, municipal social services provide a supplement to the federal and provincial support, by fulfilling other needs which cannot be met by income assistance. Along with the work of voluntary agencies, the three levels of government provide a social security network which assists those in need.

Federal and provincial transfers within the framework of income security programs constitute a significant component of public spending on the elderly. Almost 3 million Canadians receive Old Age Security benefits, half of whom also receive Guaranteed Income Supplement payments. The Spouse's Allowance program provides income to more than 100,000 Canadians. As of January 1987, contributors to the Canada Pension Plan have the option of receiving retirement benefits as early as age 60. These pressures on the public purse are likely to be compounded as the population ages. Financing social services as part of the security network for those in need could become a greater burden on society as a whole, and this will require innovative ways of dealing with the challenges of the evolving demographics (see implications segment on page 29).

Two studies carried out for the Review of Demography examined factors concerning social security, services and the aging population.[1] These studies focused primarily on the implications of the growing size of the population over 65 in Canada. The first study addressed issues related to the impact of aging on local populations. The overall objective of this study was to examine the fiscal implications of the changing geographic distribution of the elderly population in Ontario.[2] The analysis concentrates first on identifying the relationships between the current demographic structure of the elderly, the level of economic dependency of the elderly, and the current financial resources expended by local governments on the elderly population. The results of this analysis are used to project the future distribution of the elderly population in the province, the level of economic dependency of local areas, and the general implications for public policy.

The study observes that by the year 2006 increases in the number of elderly will have significant impacts on redistribution of the age structure of the

---

[1] Moore and Rosenberg (reference 17 in Appendix B); and Marcil-Gratton and Légaré (reference 22).

[2] Moore and Rosenberg, op.cit.

population in Ontario. There will be a significant decline, province-wide, in the proportion of the population which is under 20 years, and a noticeable increase in the proportion over 65 years old. Furthermore, the decline in the proportion of the population which is under 20 will be substantially larger than the increase in the elderly.

The most important outcome will be the dramatic change in the *geographic* distribution of the elderly population. The communities where the proportion of the elderly population will have increased the most will be the metropolitan regions of southern Ontario. Some of the shifts in demands for services to the elderly will therefore be most strongly felt in those areas which are young today. Generally, the increases in dependency will be far greater in areas which currently have low levels. The upshot is an overall convergence of population dependency ratios.[1]

Moreover, the elderly of 2006, according to the study, will likely be healthier and so will live longer. The proportion of elderly aged over 80 will dramatically increase -- i.e., there will be a significant increase in the more elderly component of the dependency ratio. This means that municipal, provincial and federal governments will have to find new ways to deliver more service to the aged, but their ability to do so will be constrained by the limits on their sources of revenue, such as, at the municipal level, property taxes and transfer grants. At the federal and provincial levels there will likely have to be a reallocation of resources, from other priorities, to spending on the elderly.

The study contends that currently there is little recognition in the allocation of resources, particularly at the federal level, of the "tremendous geographic variation" in the distribution of the elderly. According to the study, this geographic distribution will likely change significantly over the next three decades. With these changes will come more pressure on federal and provincial governments to reassess allocations, to be more in line with the geographic differences in need.

The second study on services for the elderly deals with the question of whether today's adults, by dramatically reducing their fertility, have jeopardized the very source of support they will need in their old age.[2] Will this relative lack of children lead to a growing proportion of older people living alone and isolated, without the daily support that can be more easily sought from a larger family, and draining overburdened public services as their only alternative?

---

[1] The dependency ratio is the ratio of persons not in the workforce (those 15 years and under or 65 years and over) to those persons actually or potentially in the workforce aged over 15 and under 65.

[2] Marcil-Gratton and Légaré, op.cit.

This second study concludes that to have few children and to have very reduced immediate family around one will be frequent among tomorrow's elderly. However, this study also concludes that the future old will live in old age as they lived when they were young: i.e., their younger adult life was less centred on family life than that of their parents and the same will be true as they age. In their old age, they will most probably compensate for the lack of intergenerational links by a greater use of their "collaterals" (other siblings, other kin or friends) as a source of support. This study suggests that there will be a transfer of the provision of support for elderly persons from children to "networks of collaterals". The reliance on such "networks" means that growing isolation for the future old should not be considered as a necessary evil to be expected as a direct consequence of today's infertile behaviour.

Implications :

The current system of social services and support focuses on particular groups within the population who are most likely to require support. The elderly are one of these target groups. The acceleration of population aging in Canada is an important demographic trend which will likely bring about changes in the types of social services offered and in the organizations which provide them. Aging of the population means a greater need for diversification of social service options for the elderly, but it also could mean increasing pressure in terms of sheer numbers on the numerous service organizations and on government resources that society must earmark for the elderly.

The projected aging of the population thus raises concern about the implications for public social expenditure. Changes in age structure are likely to affect the demand for social programs, by increasing the demographic pressure on pension schemes, health care systems and other social services for the elderly, and reducing the demand for family benefits, education and other programs aimed at the young population. In this context, two key issues arise:

> *To what extent will the cost of public social programs grow as a result of demographic factors?*
>
> *In what ways will public expenditures have to be reconfigured to take account of the changing demographic demands?*

Restructuring public social expenditures could reduce the growth of total social outlays caused by demographic change, but it is likely to require considerable political vision and managerial acumen. Moreover, there is a high rate of turnover in the elderly population, and the changing characteristics and needs of successive cohorts of elderly persons may have significant and fluctuating impacts on social policy requirements in the future. Redefining priorities for public resources and reducing social assistance dollars, such that benefits can be shifted from one target group to another, involves difficult and risky decisions for any government now and in the future.

Resources to finance social programs are collected through taxes and social security contributions of the working-age population, specifically the employed labour force. Thus, projected trends of this group of society as a proportion of the rest of the population provide a first look at the impact of population change on future financial woes.

The ratio of the working-age population (15-64 years) to the rest of the population is known as the dependency ratio. The following figures show the *aged* dependency ratio -- for the segment of the population that is 65 years or older [i.e., dependency ratio = (population 65+) / (population 15-64) X 100].

Year	Dependency
1980	14.1
1990	17.0
2000	19.0
2010	21.4
2020	28.9
2030	37.3
2040	37.8
2050	35.8

Source: OECD Demographic Data Files, medium fertility variant projections. Actual ratios shown for 1980 and 1990.

These figures show, as a first order analysis, that the capacity to finance social expenditure in Canada will decline over the next few decades, while at the same time, the "dependent" population (aged 65 or more) will increase. Only after the year 2040 will there be a reversal in the trend.

Thus, it will be necessary to find new ways to finance the additional resources required to absorb the effects of demographic change. These resources could come from increased productivity per worker, from higher rates of taxes and social security contributions, from a reduction in the scale of coverage and benefits offered by public social programs, from an increase in the retirement age, or from some combination of the above. In addition, immigration policies could be changed to allow even greater numbers of working-age persons to become Canadians, but the net effect of immigration is seen by many Canadian demographers as potentially only a modest contribution to the solution. One study suggests that, assuming fertility rates do not appreciably change over the next four decades, large increases in immigration might moderate the foreseeable demographic evolution of Canada -- but it would require a massive increase per annum to alter the picture significantly[1] (probably 570,000 immigrants per annum to maintain a 1 per cent annual growth of the population).

It seems inevitable that Canadians over the next few years will be called upon to make difficult choices on how to deal with the impending demographic pressures. We could well increasingly be faced with trade-offs between the expanding size of the social benefits package and raising taxes and social security contributions. On the other hand, increases in outlays for the elderly

[1] "Can We Afford An Aging Society", by Ivan P. Fellegi, in *Canadian Economic Observer*, October 1988, pp. 4.4 - 4.5.

(health care, pensions) are likely to be somewhat offset by reduction in costs on education, family benefits and other programs aimed at the young. However, there will be many obstacles in the way of achieving this and therefore the net effect of such a restructuring of social expenditures should not be over-estimated. If social outlays for the young were to decline exactly in line with the increase in expenditures for the elderly this would provide a large contribution towards relieving the burden of financing social programs. There are, however, good reasons to conclude that expenditure on education and other programs targeted at the young will not shrink to the extent suggested by demographic trends.

Although the growth rate of school-aged children has been declining, over the past couple of decades, expenditures have not contracted to the same extent. The main reasons for this have been increases in the average real cost per pupil and relative price increases in the education sector. Moreover, while there will likely continue to be a relative decrease in school enrollments, because of the shrinking proportion of the young, there will be demands on the education system from new groups. Non-formal education and retraining needs will become increasingly important as a result of new industrial requirements. Aside from possible increases in participation rates of the traditional school and college age groups, there could be expansion of enrollment due to increasing demand for adult education. Extended periods of retraining may become a more important characteristic of the future, due to aging of the workforce and the rapid pace of technological change. Thus, it is highly likely that new demands on the education system will, to a certain degree, reduce the effects of the projected shrinkage of the school age population.

Achieving savings from education to help finance increasing social costs is further complicated by the fact that educational services in Canada are controlled by provincial and local authorities, and funded primarily by local taxation. Therefore, achieving even small savings from the education system, and redirecting the savings to other (federal) programs, will require considerable political skill and institutional flexibility. There is no guarantee that local authorities will be willing to accede to a redistribution of their tax revenue base, to pay for federal social programs.

Another source of potential cost reduction is in family benefits, both in the context of cash transfers and tax breaks. Family benefits are automatically altered in proportion to changes in the number of eligible recipients, which are subject to demographic developments. But here again there are some counter-vailing trends which could reduce the impact of the cost-saving potential. For example, the proportion of single-parent families is rising and such families generally receive larger benefits due to their relative economic status and higher vulnerability to slumps in the economy. Their increasing proportion within the recipient population can be expected to raise average benefit levels. Furthermore, in the future, particularly if times get tough, there could be considerable pressure to increase social benefits to low income families in general.

In summary, even if public expenditures on the young decrease fully as implied by demographic projections, population aging will still add considerably to the burden of financing social programs.

3.8 Economic Effects

Discussion

The relationship between socio-demographic changes in population and economic growth was one of the important focal points of the Review of Demography. While several of the Review papers contained at least some discussion about economic issues in the context of demographic changes, three papers focused primarily on this topic. The first of these dealt with effects of the changing age structure of the population and family sizes on the economy.[1] The second paper examined demographic changes and gains in productivity of labour.[2] Finally, the third paper discussed the declining labour supply of older Canadians.[3]

Generally, the conclusion of the research on economic effects of demographic trends is that there will be major modifications in the labour force, in the long term, as a result of inevitable changes in the age structure of the population. More specifically, the papers conclude that the following effects can be expected over the next twenty years or so :

- a larger proportion of elderly people in the labour force
- higher levels of average labour productivity
- a smaller but more educated fraction of young people in the workforce
- a larger component of women working at all levels of responsibility
- a relative decline in labour force participation of older men compared to older women.[4]

Other possible economic effects of demographic trends, as *tentatively* suggested by the research carried out for the Review of Demography, are extended periods when there will be lower rates of saving by Canadians; declining rates of growth of the gross domestic product; and falling real rates of interest.[5] All of these effects taken together suggest that the Canadian economy will likely encounter considerable pressure over the next couple of decades as it adjusts to demographic changes. However, since these changes and the process of adjustment are gradual, the strain will be spread out over the long term. To better understand the consequences of demographic patterns, economic planners should configure their predictive models to include the impacts of transformation of the age structure of the Canadian population. The research

---

[1] Denton and Spencer (reference 8 in Appendix B).

[2] Adamcyk, Lasserre, and Ouellette (reference 9 in Appendix B).

[3] Osberg (reference 10 in Appendix B).

[4] Admacyk et al. and Osberg.

[5] Denton and Spencer.

of the Review in this regard is tentative. None of the papers dealing with the economy purport to be conclusive in their treatment of the issues. There remain many fundamental questions about the relationship between economic growth and the rate, source, and regional dispersion of population growth.

Implications :

The most significant anticipated demographic development which will impact on the economy well into the 21st century is the shrinkage of the share of the working-age population. This phenomenon has already been discussed in the previous segment (3.7) in the context of the financial burden of social service expenditures. Obviously a growing vibrant economy would ease the problem of financing additional social outlays. However, because of the decline of the proportion of people in the workforce, some key issues emerge concerning economic consequences of aging :

> *What are the likely effects of aging on labour force productivity?*
>
> *To what extent will labour force participation rates change as a result of demographic developments? What incentive measures should be put in place to increase participation?*
>
> *If the growing ranks of the elderly are called upon to share the cost of adjustment to demographic pressures, how should this cost be spread across the elderly population? To what extent could it be concentrated on the better-off groups of the elderly?*

The anticipated shrinkage of the labour force in the future will likely be dealt with in a number of ways. One of these ways is adopting measures which help to increase labour force productivity. It is not likely that the projected aging of the workforce will have a positive effect on productivity as such, but other developments could. For example, measures to improve the education and retraining of workers could have significant productivity-enhancing effects. Furthermore, as the workforce ages, measures to update the skills of older workers, to encourage the adaptation of new working methods, and to improve labour mobility and transferability of skills could have an important impact on productivity. Finally, rapid technological changes and increases in the amount of capital available per worker could increase the contribution of employed persons to the national output of goods and services.

Generally, economists in this country agree that coping with future demographic pressures will depend only to a limited extent on improving productivity levels. Rather, the economy's capacity to deal with the costs of population aging is likely to depend more on labour force trends. Encouragement of immigration will provide a partial solution. However, there may also arise social and political barriers to resorting to large scale immigration of the kind that may be required (see previous segment 3.7), and hence the adequacy of such a solution should not be over-rated.

Aside from improving productivity and immigration, labour force shortages could be satisfied in other ways, including increasing participation by older workers, and increasing participation by women and youth. All of this, of course, would be desirable because it would increase the capacity of the country to finance government social and economic programs, and would at the same time reduce the number of persons and organizations dependent on these programs.

The prospect for older workers to stay in the workforce is in a way a positive outcome of demographic changes, but there is no real guarantee that employers will automatically introduce incentives to encourage older workers to participate. Policies to increase the attractiveness to employers of older workers and to encourage such workers to remain in the labour force will need to be introduced. In this context, measures to retrain older workers, to facilitate occupational mobility, to promote more flexible working arrangements and to encourage adaptation of working methods to suit older workers are likely to be especially important. There are also strong arguments to be made for removing incentives to early retirement and for increasing the official retirement age -- or at least for adopting a flexible retirement age with options which would suite different employee situations. Such changes will almost certainly require adjustments to current pensions systems, and support programs will still be required for those incapable of working due to ill health or unable to find suitable employment. There are also limitations to how far extending a person's work life can go. While longer life expectancies may provide some possibilities for postponing retirement beyond the age of 65, this will depend on whether old-age disability rates (especially of the "young" old -- i.e., 65-75 years) decrease as mortality rates fall. Improved care facilities, hospitalization and geriatric practices may help increase the survival rate of "older" retired persons (75+), but this does not necessarily automatically mean that employment capacity of elderly persons in general is increased.

The need to distribute the public expenditures burden over a broader segment of the population, and the improvement of the relative financial status of the elderly, are two reasons why including the elderly in the country's overall tax base and/or reducing their level and scale of benefits have become somewhat more viable propositions. However, while such options would probably affect mainly the working and the more affluent elderly, there are many important issues related to these propositions which society has not yet fully addressed. Adverse consequences on low income groups within the elderly population, for example, would need to be assessed. The impacts on social programs such as disability benefits also need to be carefully evaluated. Also the negative effects of placing some of society's financial burden on the elderly could include serious disincentives to save for retirement during their active adult lifetimes -- since those who retire wealthy will be called upon to carry a disproportionate share of the load.

One of the most prominent trends during the past couple of decades has been the increased participation of women in the labour force (see Appendix A). This trend is likely to continue, especially if the projected labour shortages materialize. However, although in the past the number of women entering the labour force has substituted the number of older men withdrawing, this has not represented a replacement of the revenue tax base. This is partly due to the differences between average earnings of male and female workers in full-time occupations -- males continue to earn appreciably more than females -- and partly due to the fact that a large proportion of female employment is in part-time work. With a shrinking workforce it is likely that employers will be more vulnerable to pressures to more evenly balance earnings for equivalent work. It is equally likely, however, that a large proportion of women will continue, at least over the next decade or so, to be employed in part-time work. This is because of the continuing structural shift of the economy towards the service industries, which favour the expansion of part-time employment.

Finally, the long term prospects for youth employment look good. Now that the proportion of young people is beginning to decline, employment opportunities for youth may improve, and youth labour force participation rates could increase. Such an outcome is also, to a small degree, likely to contribute to easing the financial burden of government social and economic program expenditures.

IV. HOUSING : IMPLICATIONS

This section of the report focuses on the impacts of demographic changes on the housing sector. The following pages contain discussion of demographic trends and Review findings within the context of housing. None of the twenty-six Review reports examined[1] deal explicitly with housing issues as such. Clearly, however, long term socio-demographic shifts in the population will have lasting consequences on the Canadian housing situation. Trends such as the aging of the population, the rising number of single parents, and the decline in family size, will have profound effects on housing choices of the public and on program priorities of governments.

4.1 Households and Families

Discussion :

The volume of housing construction is ultimately determined by the people who are to be housed. Among housing analysts, demography has traditionally been seen as the basic provider of estimates of future housing demand. Household formation is the main demographic component that is closely monitored by analysts. Projections of net additions to Canadian households provide the numbers for "new" housing units required as a result of demographic change. In simple terms, the demand for housing rises in proportion to population, but changes in the proportions of various population groups (e.g., single-person households) can also have a major effect on housing requirements, even if population was not increasing. Each potentially new household to be formed represents a requirement for a new housing unit. The growth rate of the number of households in Canada since the 1950s has exceeded the growth rate of population (see Chart 9 in Appendix A).

While household formations are naturally dependent on population growth, they are also determined by other factors such as the state of the economy (in good times there tends to be a relative increase in household formations, while in times of depression households "double-up", causing a drop in the rate of household formation). While the rate of growth of population in Canada has steadily declined since the 1950s, the growth of the number of households increased from the 1950s through the 1970s. This trend was largely due to the fact that more households were formed at younger ages, a greater number of single persons ventured off on their own during the good years, and an increasing number of divorces caused uncoupling of households.

---

[1] See list of reports in the Appendix.

During the 1980s the number of households continued to grow at a higher rate than population growth, but at a declining level in comparison to the previous decades. This is primarily the result of the economic slowdowns experienced since the early 1980s. Nonetheless, even during the bad times, there has been a rise in non-family households as a proportion of the total. In 1986, non-family households accounted for 26 per cent of all households, which represents a relative increase from 21 per cent in 1976. Conversely, the proportion of family households declined from 79 per cent in 1976 to 74 per cent in 1986.

Thus, there are two major demographic components which affect housing demand : net family household formation and net non-family household formation. The former is the larger component. The distinction between family and non-family households is necessary, because of their varying housing preferences and because they often move in different directions -- since the Second World War the proportion of the former has declined while that of the latter has increased.

In addition to the distinction between family and non-family households, the *sub-sets* of these classifications are also increasingly important in the analysis of demographic trends as they relate to housing. One-parent households, for example, frequently express different consumer choices in the housing market than traditional two-parent households (i.e., smaller, more affordable housing units, to fit average incomes of a generally lower level than average incomes of two-parent households). As such, one-parent households often demand traditionally non-family dwellings, like two-bedroom apartments.

A non-family household consists of one or more individuals or a group of persons who occupy a separate dwelling. In Canada, non-family households are made up mostly of young adults and single senior citizens. Non-family households account for over a quarter of current housing demand. Since the 1950s, one-person households have increased by the largest margin of all. In 1976, one-person households accounted for 17 per cent of total households, and by 1986 this proportion had risen to 22 per cent. Two-or-more-person non-family households represented only 4.7 per cent of the total.

Contributing to the increase in non-family households, during the 1960s through to the 1980s, was a growing number of university students and an increasing desire and ability of elderly persons to maintain separate households, especially since their old age security improved significantly. Side-by-side with the increasing number of non-family and one-parent households has been a greater availability of affordable shelter options in the market (e.g., bachelor units, one- and two-bedroom apartments, condominiums) -- which has helped fulfil the dwelling requirements of this segment of the housing market over the past two decades.

In addition, coincidental with the increasing number of non-family households, and the declining national fertility rate, is the trend towards smaller average household sizes. In 1976 the average household size in Canada was 3.1 persons. By 1986 this figure had declined to 2.8, and is projected to decline even more to about 2.5 persons by the year 2001. There are a number of reasons why household sizes have shrunk, *and will likely continue to do so* : young couples now have fewer children; a greater proportion of households are elderly, living single or as couples; more of the elderly are able to maintain separate households because of improved social security benefits and better health among the younger old; and children now generally leave their parents' homes much earlier than they used to, living alone or with friends.

Implications :

The projection that non-family households will continue to increase significantly over the next two decades represents an important trend for housing, since, as stated above, non-family households generally tend to occupy dwellings that are different from those which families would occupy. On the other hand, as the proportion of one-parent households rises, so does the substitutability in the housing stock between dwellings demanded by this type of household and dwellings demanded by non-family households.

Declining household sizes, and the increasing cost of housing, have resulted in an increase in the demand for smaller-sized shelter units. The demographic projections of the Review imply that some decline in household size will likely continue at least for the next decade. However, it is still difficult to estimate accurately the magnitude of housing requirements resulting from this trend, because of the ease with which single individuals can shift from separate housing to doubling-up. This doubling-up can be expected to happen under conditions of economic decline. The harder the economic times and the more uncertain the future, the more likely will the number of doubled-up households increase.

The task of projecting household formation and housing requirements is therefore not dependent on demographic trends alone, but has to as well take into account economic oscillations. However, what the demographic trends tell us, is that the component of increase in quantitative housing requirements due to population growth alone will decline over the next generation. The increases in housing requirements that do occur will be due more to new household formations and compositions, and changing consumer preferences and needs. Thus, as much as ever, the task of projecting future housing requirements will involve careful monitoring of economic trends, while taking into account social dynamics underlying the housing market -- such as factors which influence consumer desires and changes in household types and composition.

4.2 Consumer Demand and Housing Requirements

Discussion :

Demographic trends are measurable, but there is no simple way of measuring their effects on consumer demand and housing requirements. In the simplest case, the demand for housing rises in simple proportion to population. The change in population *size* by itself, however, is a poor indicator of housing demand and could underestimate dwelling requirements, even though it is an important component in identifying general trends : population size, for example, supplies a basic yardstick for the estimation of space needed for various categories of land use in different geographic locations.

On the other hand, the study of population *composition* (age structure, sex distribution, size of households, number of children, etc.) assists in estimating residential requirements and dwelling types which are consistent with existing and anticipated consumer choices and needs. Population distribution indicates where facilities should be located, and the study of household composition assists in determining what type of housing is required.

Implications :

The changes in population size and household composition, as have been projected by the Review of Demography,[1] will have significant impacts on housing choices of the future. To begin with, the most significant of the trends which affects housing choices is the aging population. How to meet the increasingly large and widespread requirements of the aged will be a continuing issue for at least the next two decades. There is no single housing type to accommodate all the aged, and age by itself is not an accurate indicator of requirements, especially the requirement for a differentiated form of housing. The question of appropriate housing for the aged requires an attitude of flexibility and a willingness to experiment with a variety of approaches.

The key to meeting the housing requirements of the aged will be in increasing their housing options -- particularly in the form of different financial and tenure arrangements as, for example, reverse mortgages, sale leasebacks, life tenancies, and shared equities. Moreover, appropriate options should be available to the elderly who are at different aging stages, and consequently with different housing preferences. However, it is not realistic or reasonable

---

[1] See *Charting Canada's Future: A Report of the Demographic Review*, Health and Welfare Canada, Ottawa, 1989. Also see trends on households in Appendix A.

to expect that old persons can easily move from one residential form to another every time their preferences or requirements change. All this represents a challenge to the housing sector to produce the appropriate forms of shelter for the ever increasing diversity of requirements.

The increasing number of senior citizens during the next couple of decades will be accompanied by a sharp decline in the number of persons 25-to-34 years old, the traditional first-time home buyers. This could mean a sharp decline in demand for home ownership in the future. However, it is also true that during the 1980s home ownership rates fell to a new low, mainly because many baby boomers experienced sluggish income gains. This same group is now moving to its late 30s and 40s and to more secure income levels. Thus many who deferred home buying in the 1980s will now likely take the plunge, and in so doing offset some of the expected shortfall in home ownership demand. Another possible offsetting pattern to the potential decline in the demand for home ownership may arise if many senior citizens end up selling off there old homes (largely paid for) and buy new condominium-type dwellings (smaller and more suitable to their current needs) -- instead of shifting back to rental housing.

Apart from the changing age structure, the second most significant demographic trend which will likely continue to affect consumer demand in the 1990s is the trend towards smaller-sized households. During the 1970s and 1980s, the downsizing of housing reflected a reordering of space standards to accommodate a population of increasingly smaller households with fewer children. The frequency of smaller sized units increased with the movement towards town houses and zero-lot-line houses. In addition, detached units were built on smaller lots, because of rising land costs, compared to the past. The demand for smaller housing units should likely grow during the 1990s, since, according to the Review of Demography, the number of smaller-sized households (including singles and single-parent families) is expected to increase. This is not to say that there is not a significant demand for big (perhaps even over-sized) housing units. However, while a prolific growth of big dwellings continues, especially in suburbs, growth of relatively small dwellings (in terms of square footage) will also continue, particularly in large metropolitan areas, following trends of the past two decades. There will still be those buyers who want large houses in the suburbs, but there are also those who want well designed, efficient townhouses close to the city centres.[1]

There are some other trends examined by the Review of Demography which could also provide some new perspectives on future housing choices. The increasingly multicultural mix of our society, for example, may well have some effects -- on urban concentrations, neighbourhood preferences, and tenure choice. The greater awareness of Canadians regarding some of the negative impacts of economic progress and urban settlement patterns on the quality of the environment is another trend noted by the Review. During the past decade or so

[1] A 1989 sample survey done by The Corporate Research Group, Ottawa, showed that the number of Canadians looking to scale down was almost equal to the number who wanted to move up.

there has been a dramatic increase in the interest of Canadians to clean up and preserve the environment. Thus it seems likely that future housing choices will also involve dealing with environmental factors, inasmuch as more people now place a high priority on living in healthier surroundings.

4.3 Housing Needs

Discussion :

Traditionally among housing analysts and policy makers, housing *needs*, for the purpose of government social housing assistance, have largely been defined in terms of "suitability", "adequacy", and "affordability" criteria. The former two represent the physical dimension, which had prior to about the mid-1970s received more attention because of its tangibility. The physical aspects of housing can be quantitatively and qualitatively expressed in terms of standard vs. substandard dwelling units. Standards can be defined in terms of space, health and safety requirements. The problem of affordability, on the other hand, is not easily defined. It is primarily this problem which determines the position of consumers on the social housing needs scale. Housing needs could result from a consistently under-performing economy (over long periods of time), which produces large gaps in wealth and distorts the ability of segments of the society to fulfil their basic necessities of life.

The definition of need in this context then becomes one of whether a consumer is able to afford the basic necessities. This need in housing is determined if rent-to-income, or gross debt-service ratio, exceeds certain limits--roughly 30 per cent. It is under this concept of affordability that housing needs was first established as one of the basic social policies in Canada.

Implications :

Various studies and CMHC surveys carried out over the past decade have consistently shown that a relatively significant proportion of the Canadian population has housing affordability problems (almost 12 per cent, or about one million households). The highest incidence of problems are among individuals living alone, single parent families, and elderly households. The conclusions of the Review of Demography tend to imply that this situation is likely to continue, particularly since these segments of the population are expected to grow. However, the final assessment of affordability is related not only to demographic factors, but also to incomes and credit terms, as well as to changing consumer standards.

Assessing the future financial ability of the various segments of the population to pay for shelter, and identifying the future goals and standards of the society for housing the population, are factors which make it difficult

to project needs. Reference to housing needs as, for example, a required number of affordable dwelling units to accommodate an estimated cohort population group thus becomes inexact as a long-term planning tool. Nonetheless, this could be one basis for identifying what future public financing will be needed for providing a decent standard of shelter for all Canadians. The efficacy of identification of public financing for housing needs depends on the accuracy of our methods of analysis. The need to improve these methods increases especially as the country's tax revenue base declines, and as the need for fiscal restraint grows. An important research question arises in this context :

> *Will expected demographic changes intensify disparities between those who can and those who cannot pay for adequate shelter (i.e., shelter which meets required residential standards) ?*

This question will need to be addressed and the implications of disparities will need to be weighed against claims, by other sectors of the economy, for dwindling resources. When, as is usual, it is impossible to meet all needs, a strategy to optimize allocation of resources is required. If the satisfaction of need involves the production of a sufficient number of affordable units, the objective becomes determining the publicly desired amount of these units and the most efficient programs for producing them. Success is measured in terms of how well these programs contribute to fulfilling the overall social and economic development plan.

As senior citizens grow older and more dependent on care and clinical facilities, their needs change. Estimates of housing needs in Canada, as mentioned earlier, have traditionally been based on criteria of "suitability", "adequacy", and "affordability", which primarily involve amount-of-space considerations, standards of health and safety, and price-to-income specifications. Housing *needs*, however, could also conceivably be defined in the context of "appropriateness". Appropriate housing for the aged, for example, depends on other factors such as location, facilities, financial terms, design elements, and stages of aging. All these factors of course usually do get taken into account by housing officials and by entrepreneurs when they set out to develop a housing project. For example, most housing experts agree that the stages of aging lead to a sequence of three types of housing which vary with the intensity of services for old people in good health, semi-invalid, and those requiring help -- i.e., conventional self-contained dwellings, group residences, and old people's homes, respectively.

In general, however, the changing composition of households, the increasing number of senior citizens, and the introduction of a greater variety of shelter options, all seem to suggest that definitions of housing *needs* for shelter assistance programs, as used by government officials, would benefit by including a formalized representation of appropriateness. Developing, shall we say, "criteria" of appropriateness is no easy task, particularly since it is the consumer in a free market system who ultimately decides what is appropriate. Preferences for housing options are expressed in the market place

and should not be dictated by even the most well-meaning housing analysts. Nonetheless, reasonable guidelines of appropriateness for social housing programs, spelling out the general benefits and disadvantages of different housing options for program clients, would be an improvement in the process of identifying housing needs. Funds would be allocated not only on the basis of affordability and adequacy, but also on the basis of matching the right kind of housing for the right social assistance clients. At the local level (municipality) this introduces a refinement in the process of public fund allocations, because it presumes a more rigorous understanding of the demographics of local areas, and their underlying economic and social dynamics.

4.4 Market Activity

Discussion :

Housing market analysis provides a frame of reference for housing officials to make rational decisions on housing proposals. Social and economic characteristics are analyzed in order to estimate the need and the effective demand for new housing by tenure and by price or rent ranges for a given period. Most housing analysis is carried out in the context of short-term (one to two years) decision-making requirements -- critical local housing market indicators are developed to help in planning local capital expenditures, in identifying priorities for allocating government subsidies, and in estimating requirements for new housing.

The demographic effects on market activity, on the other hand, are usually analyzed in a long-term context. National population trends are normally examined over a period of time which includes one or more generations. If the population of a country is growing at a rapid pace, from one generation to the next, the underlying demographic forces provide a strong, long-term basis (demand push) for a robust housing market. Conversely, a slowing population growth rate (as in Canada) could have the reverse effect.

Implications :

In addition to population changes, market activity is also linked to economic progress. Economic progress can offset the effects of an impending population slowdown. On the other hand, an economic downturn could accentuate the effects. Thus, local areas within Canada which are more likely to maintain high economic performances (e.g., the main urban centres) could continue to have healthy housing markets, in spite of national demographic trends.

Such a scenario presents some interesting challenges for housing analysts. Measuring the volatility of housing markets in the 21st Century, for example, will continue to be a very prominent feature of their work. The volatility (short-term ups and downs) of a market is primarily a function of economic forces. The more economically stable an area is, following a steady path of progress, the more stable the housing market will likely be. Demographic effects on volatility, however, could result when there are large influxes or exits of people into or out of an area. As population growth slows down, one possible outcome is that mobility of households increases.[1] Movement between economic centres and towards the more prosperous areas could have a significant impact on market volatility. The question arises :

> *Will demographic changes, such as the slowdown in growth, the aging population and the changing family structure result in greater mobility of people, and will this mobility consequently affect the volatility of some markets ?*

The greater the volatility, the more difficult it is to plan and to identify housing requirements and effective demand. In a country with stable population growth, and a healthy replacement level birth rate, the question of volatility is more appropriately examined within a fixed time, short-term context and at the local market level, rather than as an aggregate national, long-term issue. However, if the Canadian population in general, including the elderly, continues to become more mobile, while growing at an increasingly slower rate, the question of housing market volatility on a national scale could become more important, especially for the federal government and its housing agency, CMHC.

One of the reasons this becomes of concern is that there are some current structural inadequacies[2] in the housing industry, which have resulted in situations where, despite housing shortages in some markets, there are houses available for sale, but at prices that those who need them cannot afford to pay.[3] Increased market volatility will mean that such imbalances in the housing market will continue to be a major issue for housing policy and program development. These research questions arise in this context :

> *To what extent will demographic changes, and market volatility, affect the structural imbalances in the housing sector ?*
>
> *Which areas of the country are likely to be most affected ?*

An underlying concern then is the degree to which housing markets can effectively respond to the redistribution of population groups. Some markets

---

[1] See in this regard the Review research in Mason and Simpson (reference 16 in Appendix B) and Watson (reference 12).

[2] Structural inadequacy results when some of the housing available on the market does not necessarily match demand (in terms of type, size, location, cost, etc.).

[3] Witness, for example, changes in the housing markets of Toronto (around 1988) and Vancouver (1990), where large numbers of migrants (50,000 +) have had particular impacts on the local scene.

will continue to experience significant population growth, while most others will experience a decline in growth rate. The problem in a market undergoing rapid growth is to get more housing services out of the existing inventory while augmenting that inventory as demand grows. In contrast, the problem in a market that experiences a decline is to manage housing surpluses so that excess dwellings do not endanger the financial prospects of the part of the inventory that should be retained. Both sides of this issue will be prominent in the 1990s and beyond.

4.5 Construction Industry

Discussion :

None of the research carried out by the Review of Demography directly examined issues related to how demography will affect the construction industry. The following points are based on conclusions about the industry as generally provided in various CMHC publications.[1]

The residential construction industry in Canada is an industry already in transition. It has had to undergo serious adjustments, particularly during the 1980s, as a result of a generally reduced demand for construction of new housing, brought on mainly due to demographic changes and partly due to international and national economic events. While a modest recovery occurred during the second half of the 1980s, most housing analysts agree that the industry is not likely to return to the peak years of the mid-1970s. Instead a slowing down of new housing construction is likely to occur during the rest of the century, in spite of offsetting factors in specific market areas as the large urban centres (e.g. new waves of immigrants, economic boom periods, or improved government programs).

The slowing down in new construction activity, however, is likely to be accompanied by additional emphasis in the industry on renovation of the existing housing stock. This segment of the industry has been growing in recent years. To a certain extent, the diversification of some companies from new construction to renovation will allow them to survive some of the decline in demand expected to occur due to demographic changes.

---

[1] See, for example, *Summary Report: The Changing Housing Industry in Canada, 1946-2001*, Canada Mortgage and Housing Corporation, 1988; and *The Housing Industry: Perspective and Prospective (Working Paper Five: The Housing Industry in the Future)*, Canada Mortgage and Housing Corporation, 1989.

Construction is a technology-based activity and can therefore be influenced by innovations and improvements in equipment, materials, and systems and methods of building. For example, during the past decade or so, the residential construction industry has been driven to new approaches due to increasing energy costs. These approaches have included changes in insulation techniques, building design, glazing materials, and sub-division layout, all of which have produced more energy efficient housing and apartment buildings. Generally, experts agree that the trend toward technological change is likely to continue as new construction systems and equipment are developed.

Implications :

The success of the residential construction industry will depend on its ability to adjust to the changes in demographic trends which are likely to continue to mean a reduction in new dwelling unit requirements. The current competitive environment of the industry also necessitates improved efficiencies and productivity. Among the keys to increased productivity for Canadian construction firms are: improved utilization of labour, enhanced technology transfer, and regulatory reform and improved standards. These factors constitute important challenges for this industry now and in the future.

One of the obvious adjustments will be the need to provide more housing which is appropriate for the ever increasing elderly population, and for other groups such as single-person and single-parent households. Building new housing units with suitable design forms, adapting existing housing to suit changing needs, and increasing efficiency and economy of construction are the challenges being posed by the new demographics.

In addition, advancement in making construction more affordable could be an important factor to the future success of the industry. In this respect, for example, there are opportunities in Canadian *manufactured* housing -- partly because of this country's considerable expertise, which has developed over the years, in this area of housing construction; and partly because of a real need to produce more affordable units to meet requirements of specific segments of the housing market.

In the future, the residential construction industry will likely continue to adopt more competitive methods and systems which will allow it to respond more effectively to changing housing requirements and preferences, to meet the challenge of new technologies, and to address desires for a broader range of housing options in this country.

4.6 Financing

Discussion :

As in the previous segment, the following discussion points and implications on financing are not directly related to any of the research in the Review of Demography. However, there are many issues related to financing that are important in the context of housing. While the Review is silent in this regard, demographic trends do have effects on the financial situation in the country.

The demographic changes occurring in Canada are increasing the need for a greater variety of housing options. In particular, as a greater proportion of the population grows past the retirement age, more people will want choices which relieve them of some of the financial burdens which housing imposes. Financial options for seniors who want to stay in their homes and new tenure options for seniors who want to move to retirement housing will likely become more popular in the future.

About a quarter of the elderly population of Canada have an income below the low-income lines defined by Statistics Canada. Moreover, many seniors are income-poor although they own their homes outright, with no mortgage debt. The problem is that to cash in on their asset they have to sell their home. Thus for those who wish to stay in their homes, financial options which allow them to draw on the equity in their houses to supplement their incomes will likely become more prevalent in the next few years. Home equity conversion schemes such as reverse mortgages, and deferred payment plans allow senior homeowners to unlock the equity in their homes.

On the other hand, many seniors may find that ownership is too physically demanding or time-consuming. Retirement housing for these people will likely be more attractive, as it allows them to live with other people of similar age and interests and also lessens the burden of repair and maintenance. The future for these people will involve tenure options which make retirement housing more affordable, such as shared equity arrangements, which combine some of the benefits of homeownership and rental tenure, and life tenancies, which offer ownership of the dwelling for the life of the senior citizen.

Implications :

As new financial housing schemes and projects for seniors come onto the market, there will be a need to monitor their performance, and to assess their appropriateness to individual circumstances. Guidance by government housing officials should be provided to help seniors decide how closely particular options meet their personal financial needs. Housing and finances for seniors involves many considerations of lifestyle, income, assets and tax implications. The advantages and disadvantages of the various options need to be thought through and laid out carefully in information packages which help consumers make the best choices for themselves.

In general, the housing sector will be competing with other sectors of the economy for private and public financial resources. Therefore, new financial housing schemes which provide additional incentives for private funding, particularly in an era of public fiscal restraint, will become more important. Such schemes could include joint ventures between government and private enterprise, more tax incentive plans, new land pricing controls and development procedures, and innovative techniques for maintaining an adequate supply of mortgage funds for the residential construction and real estate industries.

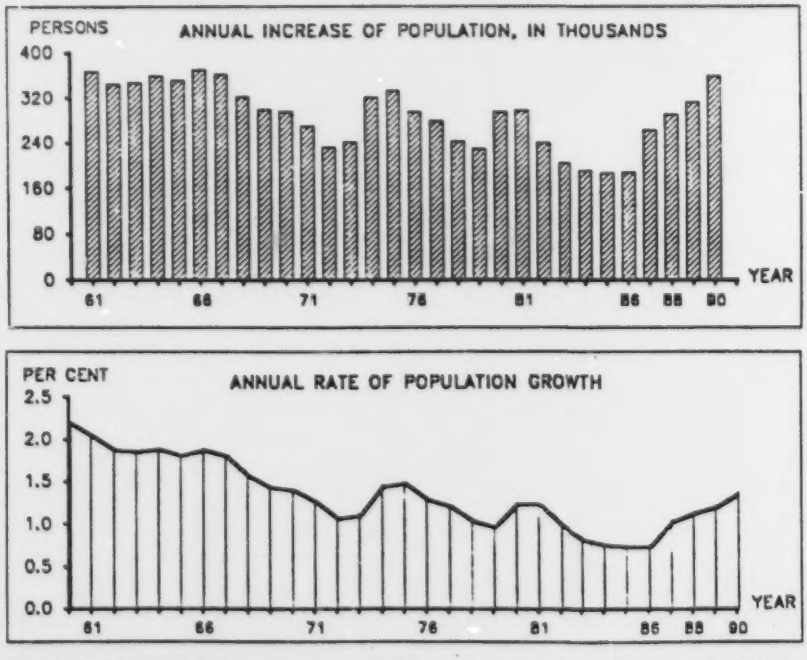
APPENDIX A
DEMOGRAPHIC TRENDS

The future of social and economic government programs and policies is closely linked to underlying demographic trends. Canada is undergoing gradual changes in population structure and distribution which will likely require transformations in the focus and scope of many of our public institutions. In this Appendix to the report, highlights of the most prevalent demographic changes that are taking place in Canada are presented. The information provided is not based on any of the Review's reports, but is provided here as a background for the discussion about the implications of the Review of Demography, hopefully to serve as a succinct overview of the major trends to help the reader situate the comments given in the main part of this report.

A.1 Decline in Population Growth

According to the Census of Canada, in 1986 the population of this country had reached 25.3 million persons . Intercensal estimates by Statistics Canada indicate that the population in 1991 will likely reach approximately 27 million. During the first half of the 1980s the annual population growth rate in Canada reached the lowest it had been since the Great Depression in the 1930s when it dipped close to 1 per cent. The first part of Chart 1 shows the real growth in population from 1961 to 1990. The average annual growth during this period was approximately 290,000 persons, with a peak in 1961 of 368,200 and a low in 1985 of 187,200.

CHART 1: ANNUAL POPULATION CHANGES, CANADA, 1961–1990

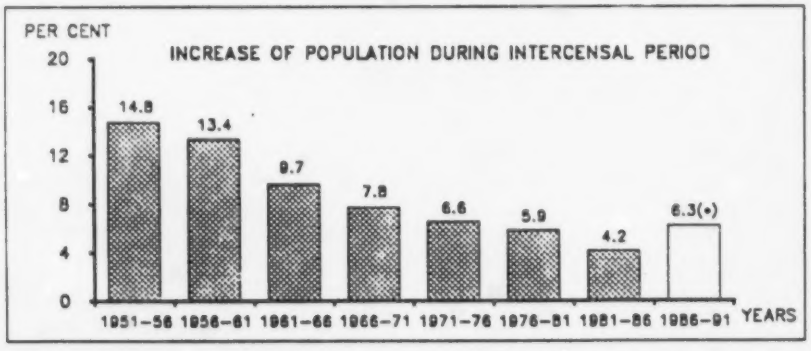


SOURCE: Chart by TEEGA Research Consultants Inc. based on data from Statistics Canada, Demography Division. All figures are as of June 1 of each year. The 1989 and 1990 figures are based on preliminary postcensal data.

The second part of Chart 1 shows that the annual *rate* of growth declined during the 1960s and 1970s, although not systematically, to a low of less than 1 per cent growth in the first part of the 1980s. The rise in the growth rate during the latter part of the 1980s is primarily due to increases in the number of immigrants to Canada, which rose to 212,166 persons in 1990 (preliminary estimate by Employment and Immigration Canada).[1] Recent estimates from Statistics Canada indicate that from June 1, 1989 to June 1, 1990 Canada's population grew by 360,800 persons, bringing the total to 26,584,000 persons.[2] This represents an annual growth of 1.4 per cent, which is the highest level registered since the 1.5 per cent growth of 1974-1975.

Chart 2 provides a different perspective of population growth in Canada. By grouping the data into five-year intercensal periods, we observe that the population rate of increase has declined steadily since the 1951 Census, from almost 15 per cent to 4 per cent. Preliminary estimates from Statistics Canada

CHART 2: POPULATION GROWTH, CANADA, 1951–1991



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years, Statistics Canada.
(•) Based on Statistics Canada postcensal estimates for 1986–1990, and extrapolation of 1991 population by TEEGA.

suggest that the 1986-1991 years will likely register a significant rise in the growth rate to about 6.3 per cent for the intercensal period. However, while some of this rise in growth will result from natural causes (excess of births over deaths), demographers are generally in agreement that the magnitude of growth for the most part depends on a continued rise in immigration levels.

---

1 "Quarterly Statistics, Immigration 1990", Employment and Immigration Canada, Ottawa, December 1990 issue.

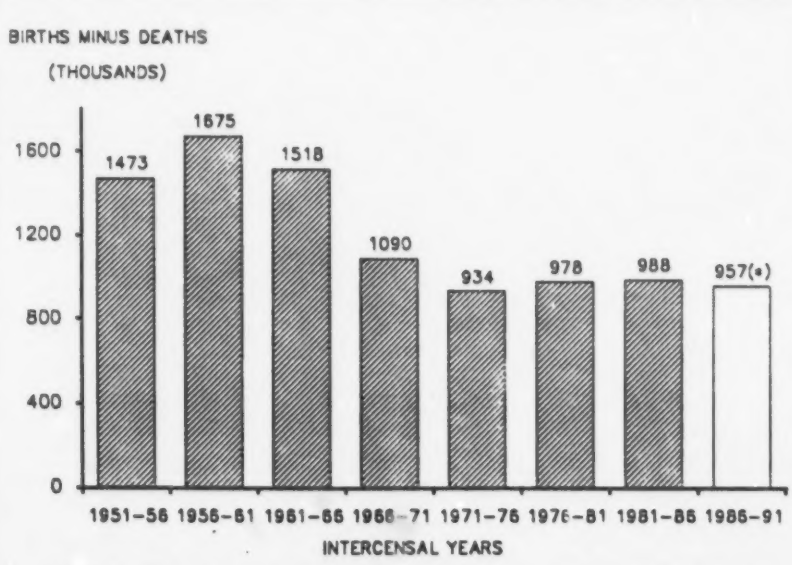
2 *Postcensal annual estimates of population by marital status, age, sex and components of growth for Canada, provinces and territories, June 1, 1990*, Catalogue 91-210, Statistics Canada, Ottawa, November 1990.

The current policy of the federal government is one of moderate, controlled growth in immigration with "a reasonable balance among the family, refugee and independent categories."[1] Immigration is expected to rise from 200,000 in 1990 to 220,000 in 1991 and to 250,000 for each year from 1992 to 1995.[2]

A.2 Natural Increase

Natural increase is the excess of births over deaths in a population. An evident drop in natural increase (as illustrated in Chart 3) is the main factor behind reduced growth in Canada, particularly since the 1960s. The "baby boom" period of the 1950s and 1960s stands in contrast to the "baby bust" period of the 1970s and 1980s.

CHART 3: NATURAL INCREASE OF THE CANADIAN POPULATION, 1951 TO 1991



SOURCE: Chart by TEEGA Research Consultants Inc. based on vital statistics from Statistics Canada.
(*) Based on births and deaths data for 1986–1990, Statistics Canada, and extrapolation of 1991 figures by TEEGA.

---

[1] *Annual Report to Parliament: Immigration Plan for 1991-1995*, October 1990, Employment and Immigration Canada, Ottawa.

[2] Ibid.

The relatively low level of natural increase in the population, starting around the mid-1960s and continuing into the 1970s and 1980s, has primarily been due to lower fertility rates across the country. In 1966 the fertility rate in Canada was 2.8 births per woman in child-bearing age. By 1986 this had dropped to 1.7 births per woman in child-bearing age. While the death rate has declined over the same period, fertility has decreased proportionately more. The Canadian crude death rate is one of the lowest in the world (7 per 1,000 population in 1986). Although over the past century this rate gradually declined, it has leveled off since 1967. As expected by most demographers, future reductions in the crude death rate in Canada are likely to be small.

The modest rise in natural increase for 1976 through 1986, shown in Chart 3, is due to what is now commonly referred to as the "baby boom echo". This refers to the increase in the overall number of births that has occurred as the baby boom generation reached child-bearing age. However, preliminary Statistics Canada data for 1986 to 1990 indicate that the natural increase component of population growth is already beginning to decline (Chart 3) as the bulk of the baby-boom wave begins to flow past its peak child-bearing years.

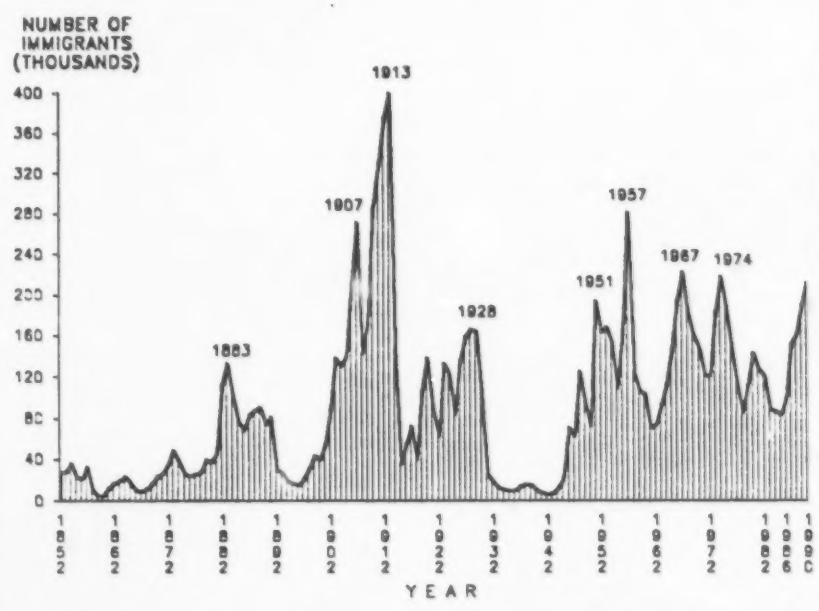
A.3 Immigration

Immigration has traditionally been a prevalent factor contributing significantly to population growth in Canada, except in certain times of war and economic depression. The origins and numbers of immigrants to Canada have varied considerably over the years, in response to political, social and economic upheavals around the world. Chart 4 on the following page shows long term immigration trends from 1852 to 1990.

During the second half of the last century immigration generally remained well below 90,000 persons a year -- the main exception being 1883 when immigration reached a peak of 134,000 persons. Canadian policy during this early post-Confederation period mostly encouraged the free entry of immigrants from all countries.

In all of Canada's history, the highest ever annual number of immigrants admitted to this country was 401,000 in 1913. The years of 1911 and 1912 were also record years: with 331,000 and 376,000 immigrants respectively. These peak years in the earlier part of this Century coincided with pre-World War I economic and political disruptions in Europe and the promise of a more favourable quality of life in North America. The Depression years of the 1930s, on the other hand, brought about a decline in immigration which lasted through the years of World War II. Following the War, Canada again experienced dramatic increases in immigration levels, reaching another milestone year in 1957 when 282,000 persons immigrated to this country, including refugees from the Hungarian and Suez crises.

CHART 4: ANNUAL NUMBER OF IMMIGRANTS TO CANADA, 1852–1990



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from Employment and Immigration Canada.

During the 1960s and 1970s, immigration to Canada generally remained over 100,000 persons annually. However, immigration dipped again between 1983 and 1986 to new lows of less than 100,000 immigrants per year.

In the years since 1986, however, immigration has begun to climb again. The rate of population growth in Canada now as ever depends on the number of persons coming to this country from other areas of the world. Currently observed trends suggest that immigration over the next few years will likely reach or exceed levels planned for by the federal government. The planned level for 1990 was approximately 200,000. The preliminary estimate of the actual figure for 1990 is 212,166 immigrants.[1]

Naturally, a higher level of immigration will not result in an increase in population if there are even more persons emigrating from Canada. Emigration trends, therefore, also need to be identified to provide a more complete picture of population change. Statistics Canada data indicate that, while for the intercensal period of 1981 to 1986 immigration to Canada was about 500 thousand (relatively low compared to the previous two intercensal periods--841 thousand and 588 thousand respectively for 1971-1976 and 1976-1981), emigration from Canada for 1981 to 1986 was the lowest it had been in two decades -- reaching 236 thousand (i.e., an average of 47 thousand a year).

[1] See "Quarterly Statistics, Immigration 1990", op.cit.

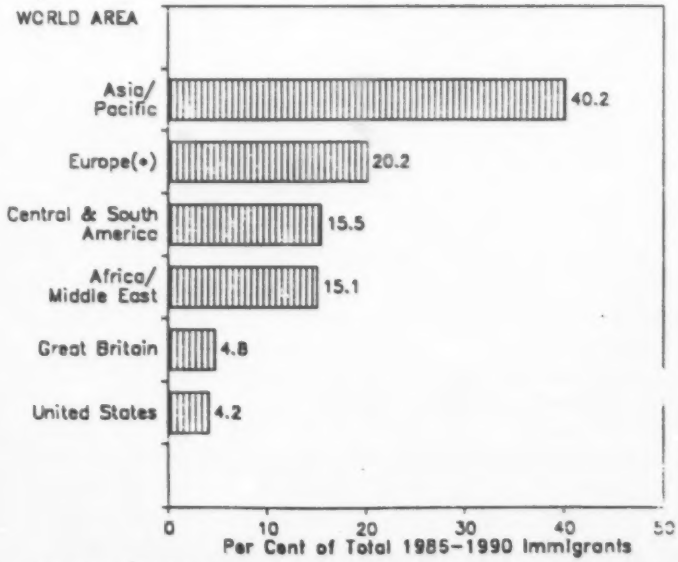
Since 1986, emigration from Canada has declined even further, averaging about 39 thousand a year from 1987 to 1990.[1]

Recent statistics from the Department of Employment and Immigration, on the previous countries of residence of immigrants, show that significant changes have taken place in the origins of people coming to live in Canada (Chart 5). From January 1, 1986 to December 31, 1990, there were approximately 817 thousand immigrants admitted to this country. During this period, Asia (Pacific region) was the largest general source of immigrants, accounting for about 40 per cent of the total. Europe (excluding Great Britain) accounted for 20 per cent of all immigrants, and the United States and Great Britain represented only 4 per cent and 5 per cent, respectively.

In comparison, during the 1960s, in total, the United States represented 11 per cent and Great Britain 25 per cent of all immigrants. The proportion of immigrants from the United States increased during the 1970s to 13 per cent (probably as a result of disenchantment with the Vietnam War), and the proportion from Great Britain declined to about 16 per cent. On the other hand, during the 1960s immigrants from Asia represented only 8 per cent of the total, increasing to 25 per cent during the 1970s, and finally to 40 per cent in the latter part of the 1980s.

Thus the data shown in Chart 5, for the second half of the 1980s, indicate a considerable shift, from previous decades, in the origins of immigrants. Although there are still relatively large numbers of immigrants coming from Europe in general, these now only represent about half as many as those arriving from Asia.

CHART 5: IMMIGRANTS TO CANADA BY AREA OF LAST RESIDENCE, 1986–1990



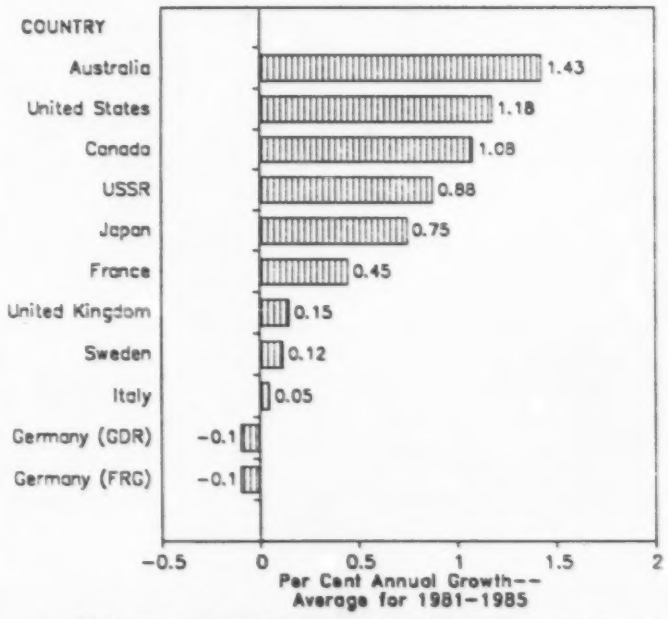
SOURCE: Chart by TEEGA Research Consultants Inc. based on data from Employment and Immigration Canada.
(•) Excluding Great Britain.

[1] *Postcensal annual estimates...*, op.cit.

A.4 International Comparisons

Population growth in all the industrialized countries has been declining ever since World War II. In some countries the annual rate of growth has reached zero or very close to zero (Chart 6). In the early part of the 1950s the population of the industrialized countries was about 35 per cent of the world's population, which at the time was about 2.4 billion people. Together the industrialized countries now account for about 25 per cent of the earth's current population of approximately 3.7 billion people.

CHART 6: AVERAGE ANNUAL GROWTH RATE FOR SELECTED INDUSTRIALIZED COUNTRIES, 1980–1986



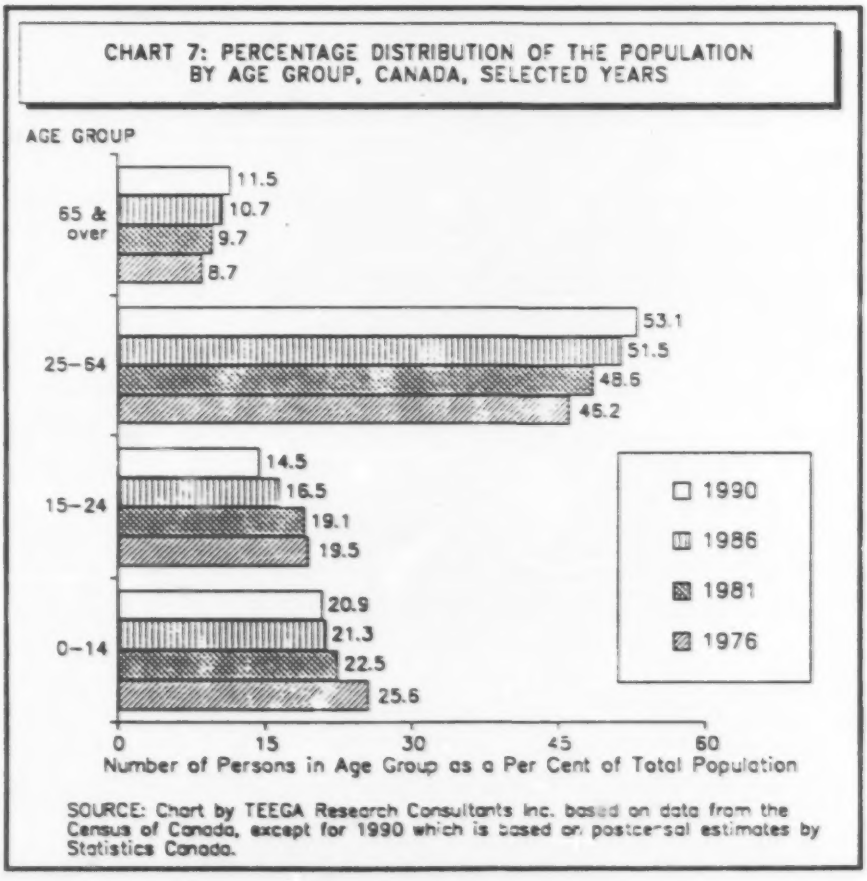
SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the United Nations, Demographic Yearbooks.

The "older" industrialized countries generally have lower population growth rates, in comparison to the "newer" countries (United States, Canada, and Australia). Over the period from 1981 to 1985 Canada has ranked third behind Australia (1.4 per cent) and the United States (1.2 per cent) with an average annual growth of 1.1 per cent. Although recent estimates of population from Statistics Canada suggest that the annual growth rate during the years from 1986 to 1990 has been growing (Chart 1), the rate could start declining again if immigration swings back to early 1980s levels, particularly given the current age structure of the population.

A.5 Aging of the Population

The 1986 Census revealed a continuation of major shifts in the age structure of Canada's population. These shifts are changing the focus of many government initiatives, placing more emphasis on the elderly. At the time of the 1986 Census there were one million Canadians aged over 75 years, and 2.7 million over 65 years. The median age of Canadians has risen from 26.3 in 1961 to 31.6 in 1986. (Preliminary Statistics Canada estimates suggest that in 1990 the median age rose to 33 years.)[1] The under-20, or school-age, group of the population has declined since the 1960s from 42 per cent of the total to 29 per cent in 1986. (Preliminary estimates indicate this figure as of June 1, 1990 was 28 per cent.)[2]

Chart 7 shows some of the movement in age structure from 1976 to 1990. Losses in the 0-to-14 and 15-to-24 age groups are offset by gains in the over-65 and the 25-to-64 age groups. The changes in the age structure reflect the impact



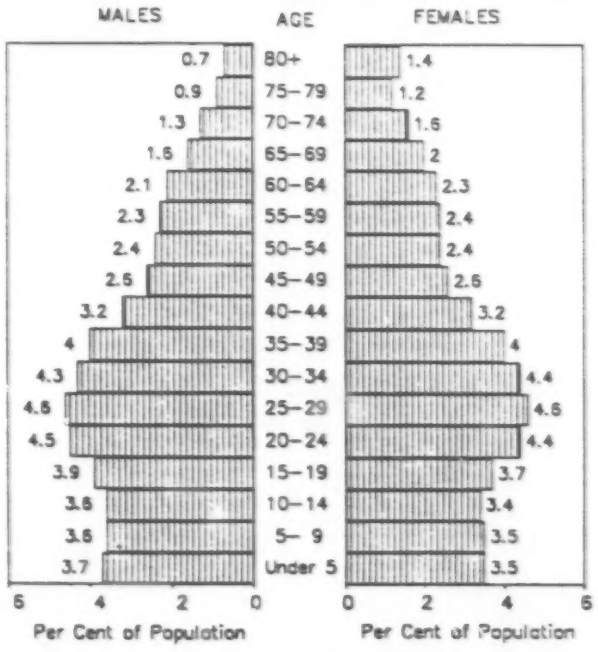
[1] *Postcensal annual estimates...*, op.cit.

[2] Ibid.

of varying birth rates during the "baby boom" of the 1950s and early 1960s, followed by the "baby bust" of the late 1960s and 1970s. The substantial gain in life expectancies is another important factor contributing to the overall aging of the population. Life expectancy at birth was 66 years for males and 71 years for females in 1951. By 1985 life expectancy at birth rose to approximately 74 years for males and 80 for females.

Chart 8 demonstrates that the high growth rate of the elderly population is expected to continue well into the next century. As the "baby boom" generation, roughly now between 20 and 45 years old (the bulge on the Chart), moves up the age scale, they will likely alter some of the social and economic elements of our society, including family structure, health care, labour force participation, and shelter.

CHART 8: THE AGE STRUCTURE OF THE CANADIAN POPULATION, 1986

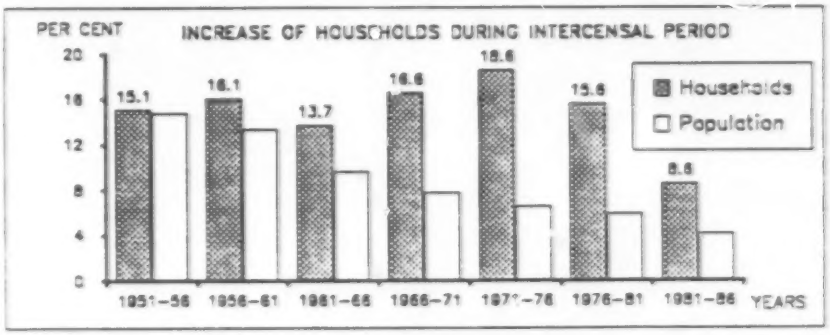


SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the 1986 Census of Canada.

A.6 Change in Household Type and Size

The pattern of change in the number of households, during the period of 1951 to 1986 (Chart 9), differs from that of population growth. While the growth of population declined steadily, the growth of households actually increased from 15 per cent in 1951-1956 to a peak of 19 per cent in 1971-1976. This trend was largely due to the increasing number of household formations from the 1950s through the 1970s, when more households were formed at younger ages, and more single persons ventured off on their own.

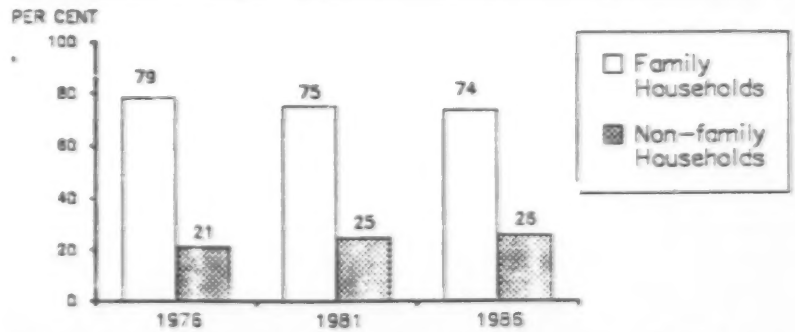
CHART 9: HOUSEHOLD GROWTH, CANADA, 1951–1986



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years, Statistics Canada.

The changes in household types is represented in Chart 10 This Chart shows that family households as a proportion of all households declined, from 79 per cent

CHART 10: PERCENTAGE DISTRIBUTION OF PRIVATE HOUSEHOLDS BY TYPE, CANADA, SELECTED YEARS

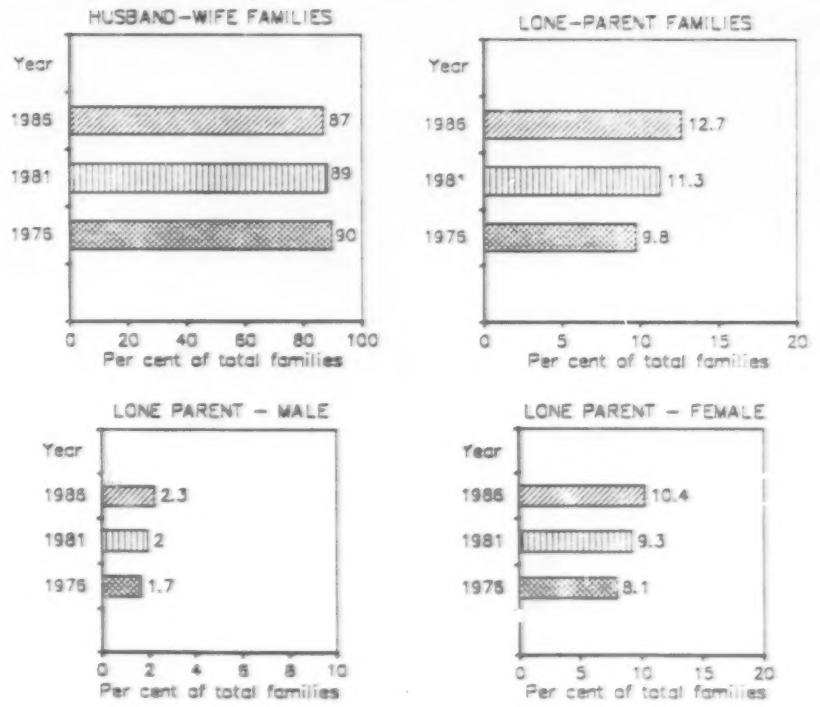


SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years, Statistics Canada.

of total households in 1976 to 74 per cent in 1986. The reverse is true for smaller non-family households, who increased from 21 per cent in 1976 to 26 per cent in 1986.

However, Chart 11 indicates that only husband-wife family households actually declined, while lone-parent families were on the increase, from 10 per cent of all families in 1976 to 13 per cent in 1986 (suggesting also that an increasing number of divorces likely contributed to the number of new households). Most of the increase in lone-parent families is accounted for by the rise in female-led families.

CHART 11: PERCENTAGE DISTRIBUTION OF FAMILIES BY FAMILY STRUCTURE, CANADA, SELECTED YEARS



Source: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years.

The trend towards smaller households is shown in Table A.1. This Table shows that the average household size in Canada has declined from 3.1 persons in 1976 to 2.8 persons in 1986. While there are some differences between provinces, in household sizes, the trend towards smaller households is consistent across the country.

TABLE A.1 :
AVERAGE NUMBER OF PERSONS PER HOUSEHOLD, BY PROVINCE, SELECTED YEARS

	1976	1981	1986(1)
Newfoundland	4.1	3.8	3.5
Prince Edward Island	3.5	3.2	3.0
Nova Scotia	3.3	3.0	2.9
New Brunswick	3.5	3.2	3.0
Quebec	3.2	2.9	2.7
Ontario	3.1	2.8	2.8
Manitoba	3.0	2.8	2.7
Saskatchewan	3.1	2.8	2.7
Alberta	3.1	2.9	2.8
British Columbia	2.9	2.7	2.6
Yukon	3.2	2.9	2.8
Northwest Territories	4.1	3.8	3.7
CANADA	3.1	2.9	2.8

(1) The figures for 1986 exclude the population on 136 incompletely enumerated Indian reserves and settlements.
Source: Census of Canada, 1976, 1981 and 1986.

The next Table indicates that the relative share of households with 1 and 2 persons has increased between 1981 and 1986 from just over 49 per cent to just over 51 per cent of total households. The share of 3 and 4 person households has remained relatively constant, and households of 5 persons or more have declined from 14.5 to 12 per cent of all households.

TABLE A.2 :
SIZE CLASSES AND AVERAGE SIZE OF HOUSEHOLDS, CANADA, 1981-1986

	1981	Per cent	1986	Per cent
TOTAL PRIVATE HOUSEHOLDS ('000)	8,282	100.0	8,992	100.0
SIZE CLASS OF HOUSEHOLDS:				
1 person	1,681	20.3	1,935	21.5
2 persons	2,404	29.0	2,701	30.0
3 persons	1,449	17.5	1,599	17.8
4 persons	1,552	18.7	1,682	18.7
5 or more persons	1,196	14.5	1,075	12.0
AVERAGE SIZE OF HOUSEHOLDS	2.9		2.8	

Source: Census of Canada, 1981 and 1986.

A.7 Sex Distribution

Table A.3 shows the sex distribution of the Canadian population, by different age groups. Generally, there are more Canadian women than men -- accounting for about 1.5 per cent more of the population. However, the higher mortality rate of men results in an even greater difference in gender distribution in the older age groups. Females outnumber men in the 65 years or more population, by a relative 58 per cent compared to 42 per cent. More recent estimates (1990) of the sex-age distribution of the population yield very similar figures as the Census proportions indicated below.[1]

TABLE A.3 :
POPULATION BY SEX AND AGE GROUP, CANADA, 1986

	THOUSANDS(1)			PER CENT		
AGE GROUP	Male	Female	Total	Male	Female	Total
0-14	2,765	2,627	5,392	51.3	48.7	100
15-24	2,117	2,061	4,178	50.7	49.3	100
25-34	2,249	2,278	4,527	49.7	50.3	100
35-44	1,822	1,819	3,641	50.0	50.0	100
45-54	1,276	1,269	2,545	50.1	49.9	100
55-64	1,124	1,204	2,328	48.3	51.7	100
65 and over	1,133	1,564	2,698	42.0	58.0	100
Canada	12,486	12,824	25,310	49.3	50.7	100

(1) These figures exclude the population on 136 incompletely enumerated Indian reserves and settlements.
Source: Census of Canada, 1986.

The uneven distribution of females to males, particularly in the older age groups -- i.e., 55 years or over -- is primarily due to the higher death rate among males. Table A.4 shows the differences between male-female death rates in Canada over the past six decades. The trend during the 1970s and 1980s suggests that the gap is narrowing.

TABLE A.4 :
DEATHS IN CANADA, 1930 TO 1988

	DEATH RATES(1)		
	Males	Females	Difference
1930	11.2	10.2	1.0
1935	10.2	9.2	1.0
1940	10.5	9.0	1.5
1945	10.3	8.5	1.8
1950	10.1	7.9	2.2
1955	9.4	6.9	2.5
1960	9.0	6.6	2.4
1965	8.8	6.3	2.5
1970	8.5	6.1	2.4
1975	8.5	6.2	2.3
1980	8.2	6.1	2.1
1982	8.0	6.1	1.9
1984	7.9	6.1	1.8
1986	8.1	6.5	1.6
1988	8.1	6.5	1.6

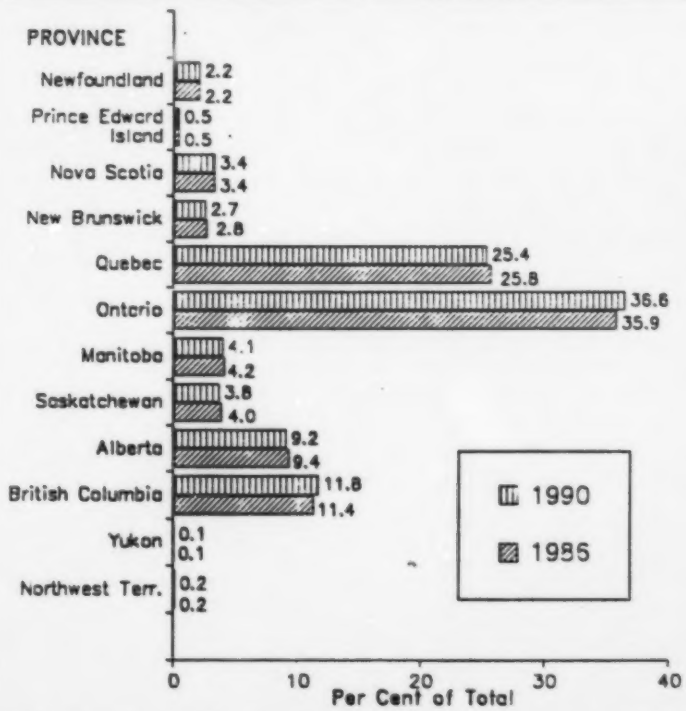
Source: Statistics Canada, vital statistics.
(1) Per 1,000 population.

[1] *Postcensal annual estimates...*, op.cit.

A.8 Regional Patterns

The geographical distribution of the population in Canada is to a large part determined by economic opportunities which influence human settlement patterns. Chart 12 shows the distribution of Canada's population by provinces and territories. The two most populated provinces are Ontario and Quebec, together accounting for about 62 per cent of the total. The Prairies comprise about 17 per cent of the population, British Columbia accounts for almost 12 per cent, and the Atlantic provinces together make up just under 9 per cent. The only provinces which have increased their share of the population (slightly) are Ontario and British Columbia (mostly due to a higher share of the influx of immigrants from Asia and a slightly higher share of inter-provincial migration).

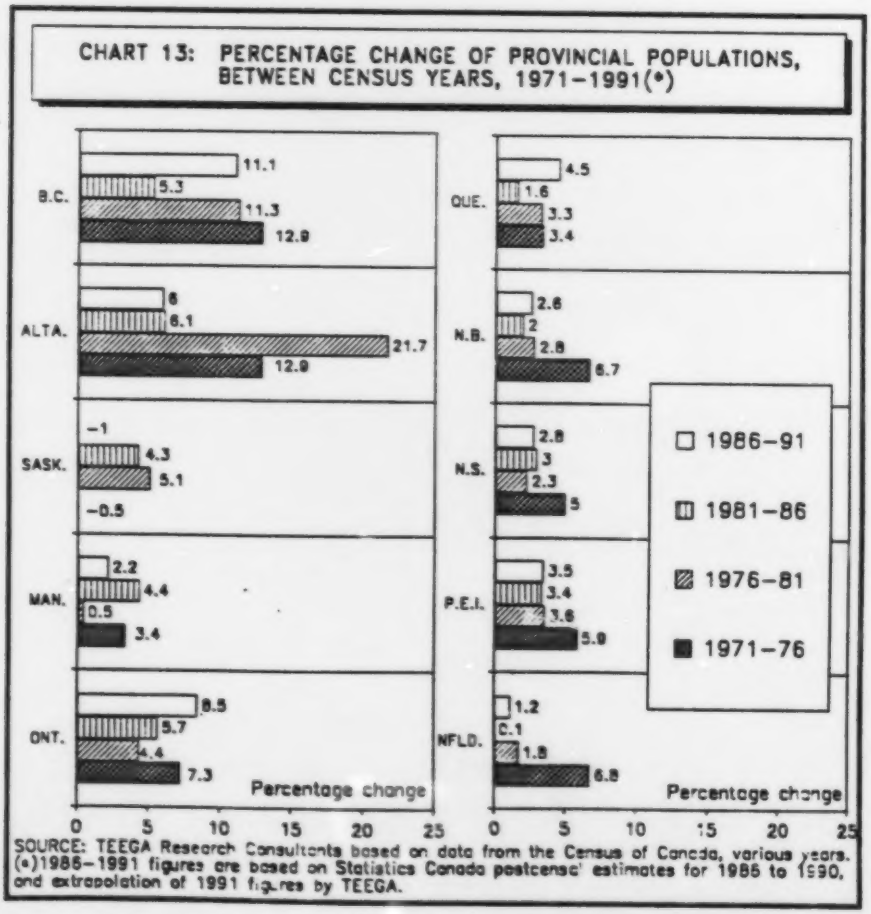
CHART 12: DISTRIBUTION OF THE CANADIAN POPULATION, BY PROVINCES AND TERRITORIES, 1986 AND 1990



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the 1986 Census of Canada, and postcensal estimates, 1990, by Statistics Canada.

Trends in provincial population in Canada over the past couple of decades are highlighted in Chart 13. During the period from the start of the 1960s to the early part of the 1980s, there was a strong push in internal migration to the western provinces of Alberta and British Columbia. This westward movement was largely due to the economic prosperity and opportunities brought on by the growth of the petroleum industry in Alberta and of resource-based industries in British Columbia. The Alberta population registered a high growth rate of 22 per cent during 1976-1981, and British Columbia had relatively large increases of 13 per cent during 1971-1976 and 11 per cent during 1976-1981. These high growth rates in the West coincided with a general reduction in population growth during 1971 to 1981 in Ontario and in the Atlantic provinces. A resurgence of growth in Ontario started during the middle part of the 1980s and is likely to continue into the first part of the 1990s. Similarly, British Columbia and Quebec are likely to experience higher levels of growth during the next intercensal period (1991-1996), largely because of increases in immigration to those provinces.

CHART 13: PERCENTAGE CHANGE OF PROVINCIAL POPULATIONS, BETWEEN CENSUS YEARS, 1971–1991(*)



SOURCE: TEEGA Research Consultants based on data from the Census of Canada, various years. (*)1986–1991 figures are based on Statistics Canada postcensal estimates for 1986 to 1990, and extrapolation of 1991 figures by TEEGA.

Traditionally, the lowest population growth rates have been in the Atlantic region, and this is seen in the figures for the 1981-1986 period. This has largely been due to migration of young people from the Atlantic, seeking economic opportunities in other parts of the country. Some curtailment of this trend can be seen from the more recent data (Chart 13).[1]

During the 1981-1986 period the largest growth rate was still in Alberta, though this rate was down to 6.1 per cent from 22 per cent in 1976-1981. The second largest population growth rate during 1981-1986 was in Ontario, with a 5.7 per cent increase, while Quebec had the second smallest population growth rate, with an increase of 1.6 per cent. The smallest growth rate was in Newfoundland at 0.1 per cent.

Between 1981 and 1986, Saskatchewan's population increased by 41,885, breaking the one-million population barrier for the first time. This made Saskatchewan the sixth province with a population over one million. However, in the 1986-1991 period Saskatchewan is expected again, as in the first part of the 1970s, to experience a loss in population.

A.9 Urban and Rural Redistribution

The redistribution of the population, from rural to urban areas, seems to have stabilized over the past two decades. Chart 14 shows how over the years since 1951 till about 1971 there was a decline in the rural share of Canada's population, from 37 per cent of the total to about 24 per cent. In contrast, the urban population rose from 63 per cent of the total in 1951 to about 76 per cent in 1971. The 1971 distribution has remained almost constant through the 1970s and the 1980s.

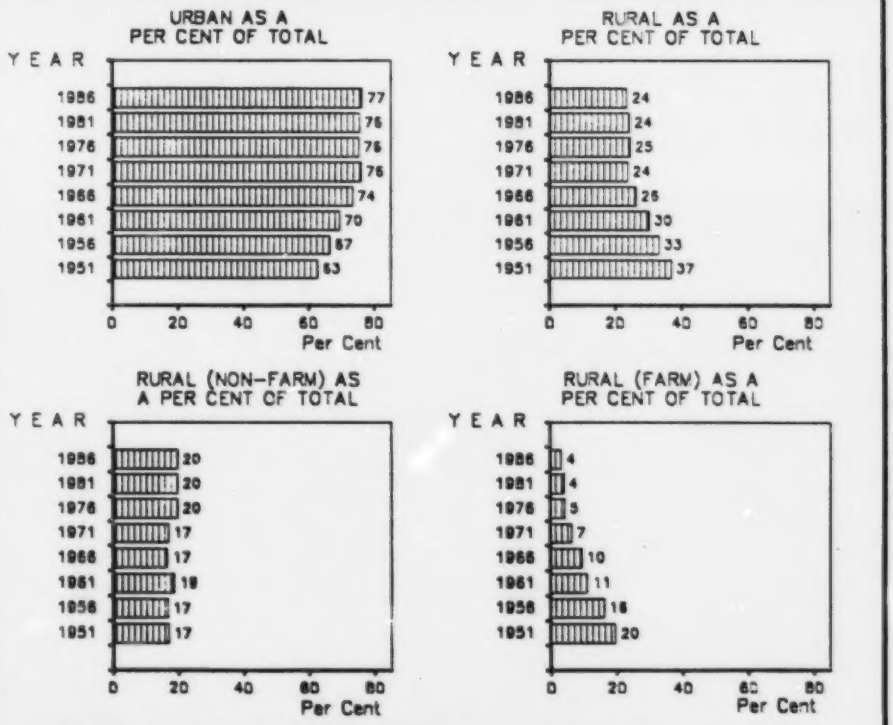
---

[1] *Postcensal annual estimates...*, op.cit.

Chart 14 also shows that the decline in the rural share of Canada's population that has occurred has been primarily in the farming sector. In fact, the proportion of the population living in the non-farming rural sector, rose from 17 per cent in 1951 to 20 per cent in 1986.

In real terms, the rural farm population has declined from 2.8 million in 1951 to 890 thousand in 1986. The rural non-farm population, on the other hand, rose from 2.4 million in 1951 to 5.1 million in 1986, and the urban population rose from 8.8 million to 19.4 million in the same years respectively.

CHART 14: DISTRIBUTION OF THE CANADIAN URBAN AND RURAL POPULATION, 1951 TO 1986

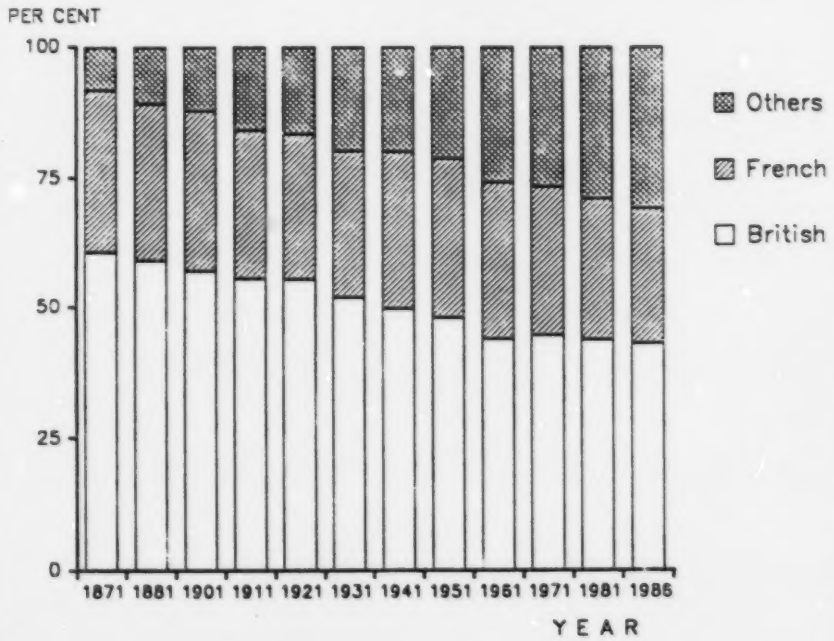


SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, 1951 to 1986, Statistics Canada.

A.10 Ethnic Composition

The Canadian population has gradually, during the twentieth century, become more ethnically diverse (Chart 15). The arrival of immigrants to Canada from all corners of the earth has led to a rich ethnic heritage in this country. In 1871 Canadian citizens of either British or French origins accounted for about 92 per cent of the population. By 1986 this proportion had declined to 69 per cent, with about 31 per cent of Canadians being from other origins.

CHART 15: DISTRIBUTION OF THE POPULATION BY ETHNIC ORIGINS (BRITISH, FRENCH, AND OTHERS), CANADA, 1871 TO 1986



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years, Statistics Canada.

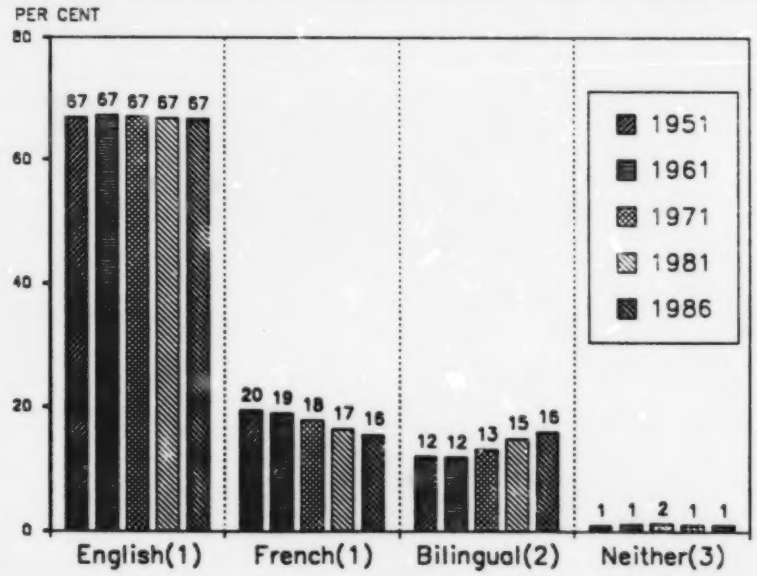
The trend toward greater ethnic diversity in Canada is likely to continue, at least over the foreseeable future, because of an expected greater influx of immigrants from Asia and Latin America, and because of an expected decline in the number of European immigrants. Contributing to this trend is the fact that Canadians with European origins are generally older with relatively fewer children (and hence with less potential for growth in numbers), compared to the younger Canadians of Asian, Latin American, and African origins.

A.11 Language Abilities

With the influx of additional immigrants from more diverse and different areas of the world, Canada's linguistic character could change in the future. However, Census data on knowledge of the official languages indicate that ostensibly, with regards to English, no changes have occurred over the past four decades (Chart 16). The proportion of the population which is proficient only in English has remained the same, from 1951 to 1986, at about 67 per cent.

On the other hand, the proportion proficient only in French has declined from 20 per cent in 1951 to 16 per cent in 1986. This decline, however, is offset by the increase in the proportion of Canadians who are bilingual. In 1951 bilingual persons accounted for 12 per cent of the population, but by 1986 this proportion had increased to 16 per cent.

CHART 16: PERCENTAGE DISTRIBUTION OF THE POPULATION BY KNOWLEDGE OF THE OFFICIAL LANGUAGES, CANADA, 1951 TO 1986



Notes: (1) Refers to persons who speak either English or French, but not both.
(2) Refers to persons who speak both English and French.
(3) Refers to persons who speak neither English nor French.

SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, 1951 to 1986, Statistics Canada.

Along with the linguistic duality of Canada is a growing territorial duality. In 1986 nearly 83 per cent of Quebecers were Francophones and these represented 90 per cent of all Canadian Francophones. On the other hand, 80 per cent of the population living in the other provinces were Anglophones, and these accounted for 95 per cent of Canadian Anglophones.

A.12 Incomes and Expenditures

Statistics Canada collects information on incomes and spending behaviour of Canadians by carrying out annual household surveys of consumer finances and expenditures. These surveys are an important source of statistical data for government and non-government organizations concerned with the economic and social development of this country.

Table A.6 shows average incomes of Canadians while taking into account the decrease in the purchasing power of the dollar by reporting the figures in constant dollars. In 1988 average family incomes ranged from just over $34,000 in Prince Edward Island to about $51,300 in Ontario. Ontario and Alberta were the only provinces which had average family incomes above the national average.

From 1971 to 1980 all provinces gained in real average income, with an overall increase for Canada of about $10,000. However, when comparing 1980 to 1988, only Ontario, Newfoundland, Nova Scotia, New Brunswick and Manitoba recorded gains in average income, resulting in a relatively small overall increase (of $1,257) in real terms over the eight-year period for Canada as a whole.

TABLE A.6 :
AVERAGE INCOMES OF FAMILIES(*) IN CONSTANT (1988) DOLLARS

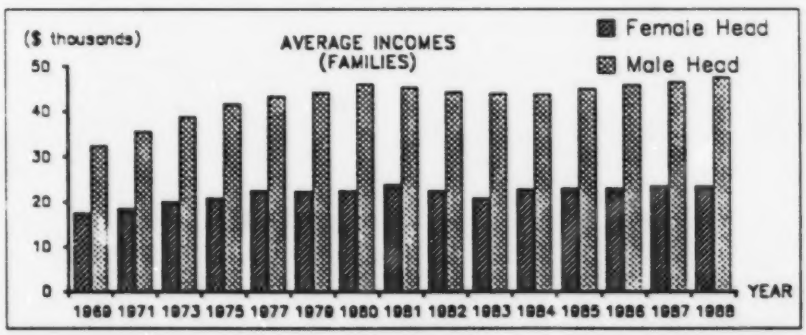
	1971	1980	1988
Newfoundland	$ 23,359	$ 32,956	$ 34,906
Prince Edward Island	22,725	36,515	34,150
Nova Scotia	26,310	34,979	38,698
New Brunswick	26,859	34,002	36,350
Quebec	33,098	41,099	41,021
Ontario	38,008	45,798	51,303
Manitoba	30,951	40,486	42,554
Saskatchewan	26,450	42,566	39,998
Alberta	34,440	51,548	45,534
British Columbia	37,446	48,966	44,680
CANADA	34,461	44,072	45,329

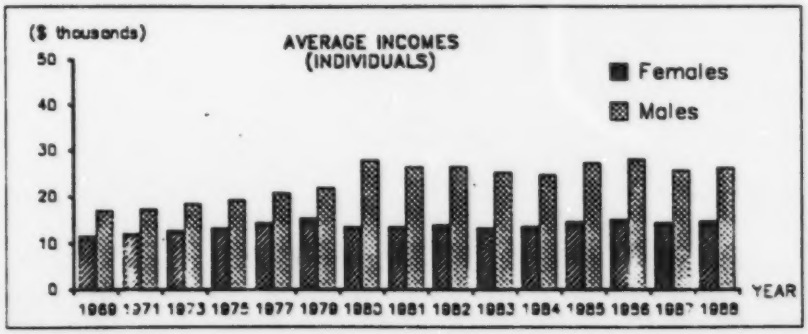
Source: Statistics Canada.
(*) Based on the census family definition.

Chart 17 compares national average incomes of female-headed with those of male-headed families. The gap between incomes of the two types of families actually increased over the years since 1969 to 1988 (as measured in constant 1988 dollars). In 1969 male-headed families on average earned $32,647 while female-headed families on average earned $17,720, with a gap of $14,927. By 1988, while the average incomes of both family types increased in real terms, the gap increased to $24,107.

The second part of Chart 17 shows average incomes of females compared to males. Here again the gap has increased, indicating that males recorded larger gains in their incomes on average from 1969 to 1988 (as measured in constant 1988 dollars). In 1969 males on average earned $17,191, while females on average earned $11,794, with a gap of $5,397. By 1988, while the average incomes of both sexes increased in real terms, the gap increased to $11,517.

CHART 17: AVERAGE INCOMES OF FAMILIES AND INDIVIDUALS, IN CONSTANT (1988) DOLLARS, CANADA, 1969 TO 1988

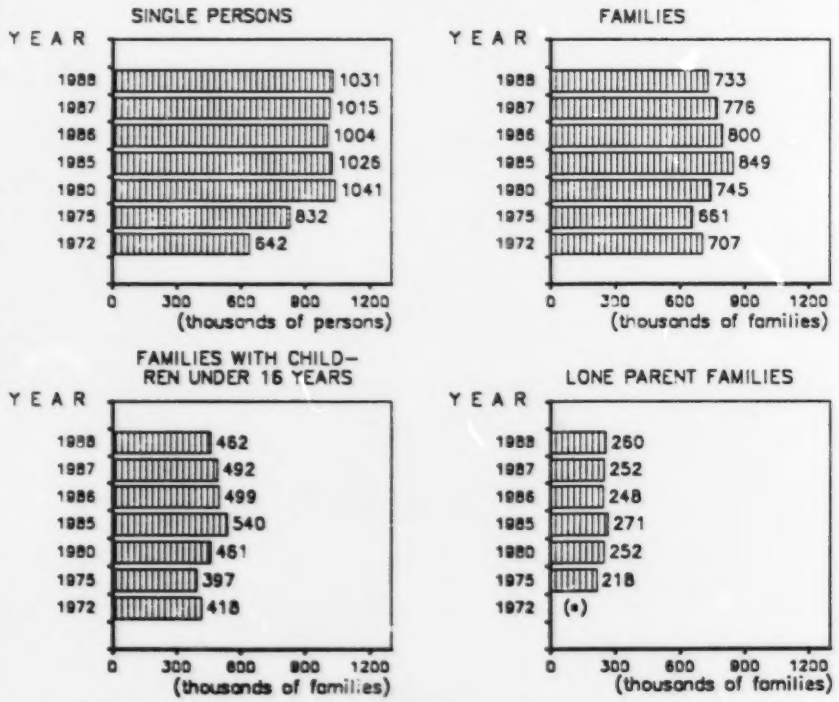




SOURCE: Chart by TEEGA Research Consultants Inc. based on data from Statistics Canada, using Census definitions for income, family and individuals.

Statistics Canada uses low income cut-off lines to delineate families and unattached individuals into low and non-low income groups. These low income cut-offs are sometimes referred collectively as "the poverty line", although not officially recognized as such by Statistics Canada. Chart 18 depicts the trends of Canadians living below the poverty line from 1975 to 1988. The largest change is indicated for *single persons*. In 1972 there were 642,000 single Canadians living below the poverty line. This represented at the time approximately 2.9 per cent of the population. By 1980 this figure rose

CHART 18: CANADIANS LIVING BELOW THE POVERTY LINE, 1975 TO 1988



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from Statistics Canada. (•) Not available.

significantly to 1,041,000 persons (or 4.3 per cent of the population). In 1988, single persons living below the poverty line declined somewhat to 4.0 per cent of the population, or 1,031,000 individuals. The number of *families* living below the poverty line went from 707,000 in 1972 to a high of 849,000 in 1985, and then decreased to 733,000 families by 1988. This is approximately 10 per cent of the total number of families in Canada at the time.

In the family expenditure surveys carried out by Statistics Canada, the family is defined as a group of persons dependent on a common income for major items of expense and living in the same dwelling, or one financially independent individual living alone. The family is defined also as a "spending unit" with a pooled income. Obviously, income is the most important factor influencing the selections made in family spending.

Table A.7 shows family expenditure choices based on data from 17 major Canadian cities. Over the years from 1969 to 1986 the share of total expenditure spent on food fell from 17.7 per cent to 13.9 per cent, clothing from 8.8 per cent to 6.3 per cent, and health care from 3.2 per cent to 1.8 per cent. The share for shelter rose from 16.6 per cent in 1969 to 18.1 per cent in 1982 and then fell back to 16.7 per cent in 1986. Personal taxes rose consistently from 14.2 per cent in 1969 to 19.9 per cent in 1986. The share for transportation remained around 12 per cent during the same period.

Other factors are involved in these comparisons. For example, average family size fell from 3.1 to 2.6, and the average age of head has not changed much. The incidence of home and automobile ownership has increased.

TABLE A.7 :
PATTERNS OF FAMILY EXPENDITURES(1), SELECTED YEARS, 1969-1986

	1969	1978	1982	1984	1986
PERCENTAGE SHARE					
Food	17.7	16.7	14.8	14.6	13.9
Shelter	16.6	17.3	18.1	17.7	16.7
Household operation	3.6	3.7	4.1	4.2	4.1
Household furnishings	3.9	4.1	3.4	3.5	3.3
Clothing	8.8	7.2	6.1	6.3	6.3
Transportation	11.6	11.7	11.4	11.8	12.5
Health care	3.2	1.9	1.9	1.9	1.8
Personal care	2.1	1.7	1.8	1.9	1.9
Recreation	4.1	5.0	4.6	4.7	4.9
Reading materials	0.7	0.6	0.6	0.6	0.6
Education	1.0	0.8	0.8	0.8	1.0
Tobacco products & alcohol	3.7	3.2	3.1	3.1	3.1
Miscellaneous	1.4	2.2	2.8	2.6	2.4
Total current consumption	78.4	76.1	73.5	73.6	72.6
Personal taxes	14.2	16.9	19.2	18.6	19.9
Savings	4.6	4.6	4.4	4.6	4.5
Gifts and contributions	2.7	2.3	2.8	3.2	3.0
TOTAL	100.0	100.0	100.0	100.0	100.0
Percentage					
Homeowners	47.9	52.2	52.6	52.5	51.6
Automobile owners	68.1	72.4	73.6	73.3	74.4
Average					
Family size	3.10	2.74	2.58	2.61	2.63
Age of head	46	45	45	45	46
Family income(2)	$30312	$37873	$37679	$36944	$38925
Consumer Price Index(3)	39.70	73.90	110.80	122.30	132.40

Source: Statistics Canada, surveys of family expenditures for selected years.
(1) Based on family expenditures in 17 major Canadian cities.
(2) In constant 1986 dollars.
(3) 1981 = 100.

The changes in expenditures and consumer choices generally reflect shifts in real incomes and differences in price trends between years. During the 1970s real incomes of Canadians noticeably increased (and slightly improved during the 1980s), thus generally strengthening purchasing power and altering patterns of spending. Similarly, price changes of consumer items have markedly varied, and this too explains some of the alterations in patterns of expenditure.

A.13 Working Age Population

Two prevailing demographic trends in Canada are: a declining youth population and an increasing adult population (in real terms since the mid-1960s -- see Table A.8). These two trends are obviously interrelated, and together they impact on the country's potential labour force supply.

Trends in the age distribution of the population from 1951 to 1990 are presented in Table A.8. The proportion of the population that are children of 14 years or younger started to decline after the peak of the baby boom in about 1961. Fifteen years later, by about 1976, this decline was reflected in the 15-24 years age group, which also began to decrease, relatively as a proportion of the total population (from 19.5 per cent in 1976 to 14.5 per cent in 1990).

TABLE A.8 :
DISTRIBUTION OF THE CANADIAN POPULATION BY AGE GROUPS, 1951 TO 1990

	POPULATION (1000s)					PERCENTAGES				
Year	Total	0-14	15-24	25-64	65+	Total	0-14	15-24	25-64	65+
1951	14010	4251	2147	6526	1086	100	30.3	15.3	46.6	7.8
1956	16081	5226	2292	7318	1245	100	32.5	14.3	45.5	7.7
1961	18238	6192	2617	8038	1391	100	34.0	14.3	44.1	7.6
1966	20015	6592	3299	8584	1540	100	32.9	16.5	42.9	7.7
1971	21568	6381	4004	9438	1745	100	29.6	18.6	43.8	8.1
1976	22993	5897	4479	10614	2003	100	25.6	19.5	46.2	8.7
1981	24343	5481	4659	11842	2361	100	22.5	19.1	48.6	9.7
1986	25310	5392	4178	13043	2697	100	21.3	16.5	51.5	10.7
1990(*)	26584	5560	3859	14114	3052	100	20.9	14.5	53.1	11.5

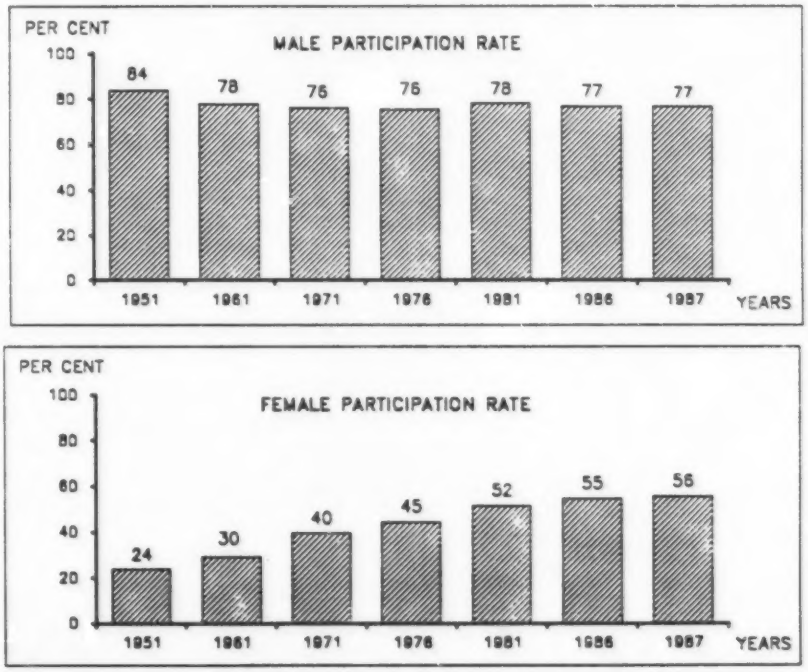
Source: Statistics Canada, Censuses.
(*) Based on preliminary postcensal estimates by Statistics Canada.

The baby boom generation is now over 25 years old and this means that, as shown in Table A.8, the adult proportion of the population has increased while the youth proportion has decreased. As of 1990, the 25-64 age group accounted for 53 per cent of the country's population, and now is, at 14 million, the most numerous that it has ever been in Canadian history. This age-group makes up the greater part of the workforce.

A.14 Females in the Labour Force

One of the most noticeable labour force trends over the past three decades has been the steady increase of women entering the workforce. The labour force participation rate measures the number of persons in the workforce expressed as a percentage of the total population 15 years of age and over, in a group or category. Chart 19 demonstrates that the overall female participation rate has increased significantly, from 24 per cent in 1951 to 56 per cent in 1987; while on the other hand the male participation rate declined from 84 per cent in 1951 to 77 per cent in 1987.

CHART 19: LABOUR FORCE PARTICIPATION RATES BY SEX, POPULATION 15 YEARS AND OVER, CANADA, 1951–1987



SOURCE: Chart by TEEGA Research Consultants Inc. based on data from the Census of Canada, various years, Statistics Canada.

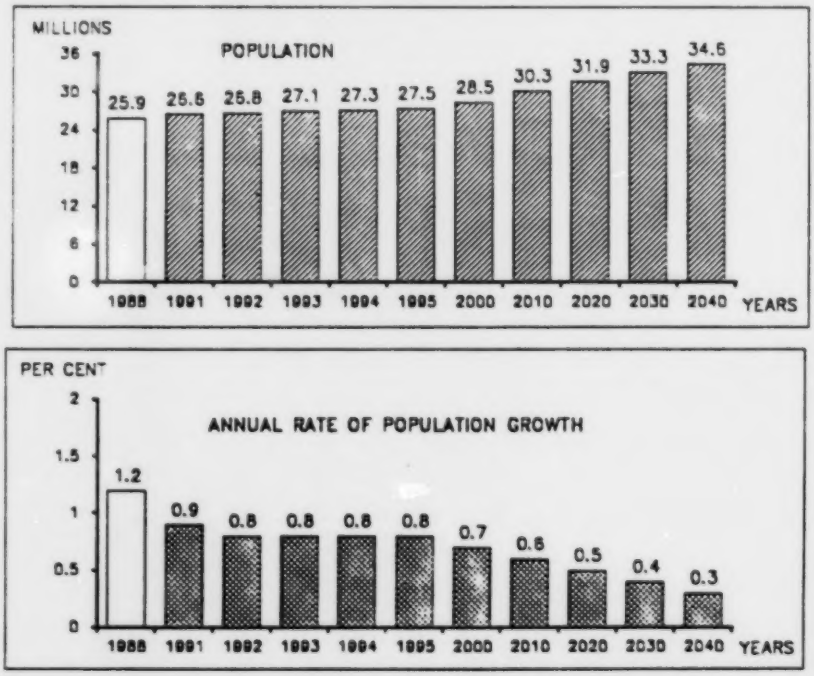
The trend of increasing female participation in the labour force is part of a significant and long term change that has occurred in the Canadian family over the second half of the twentieth century. The number of families in which the wife works outside the home has visibly increased. For example, the labour force participation rate of married women living with their husbands, and who had at least one child under age 6, jumped from 27 per cent in 1971 to over 58 per cent in 1987. Labour force participation of all married women (husband present) also rose dramatically from 36 per cent in 1971 to 58 per cent in 1987. Thus the trend has shifted from the traditional family where both spouses are present and only the husband is working, to the double-income family with both spouses present and both working.

A.15 Projections

The annual growth rate of the Canadian population fell from 2.1 per cent in 1960 to 0.9 per cent in 1986. Postcensal estimates by Statistics Canada indicate that the growth rates for 1987 and 1988 also remained low at just about 1 per cent.[1] Although fertility rates for Canada (1.7 births per woman) remain below the replacement level of 2.1 births, the country will likely continue to grow for well into the 21st century -- because a large proportion of the female population is currently in the child-bearing ages. However, unless there are changes in fertility and (or) a continued increase in immigration levels, the population could begin decreasing slowly by the middle of the next century.

Chart 20 shows population projections developed by the Economic Council of Canada.[2] These projections represent a reference case which assumes a

CHART 20: PROJECTED POPULATION OF CANADA, 1988-2040



SOURCE: Chart by TEEGA Research Consultants Inc. based on projections by the Economic Council of Canada, assuming a constant fertility rate and low net migration.

[1] As quoted in *Report on the Demographic Situation in Canada. 1988*, by Jean Dumas, Demography Division, Statistics Canada, March 1990 (Catalogue 91-209E).

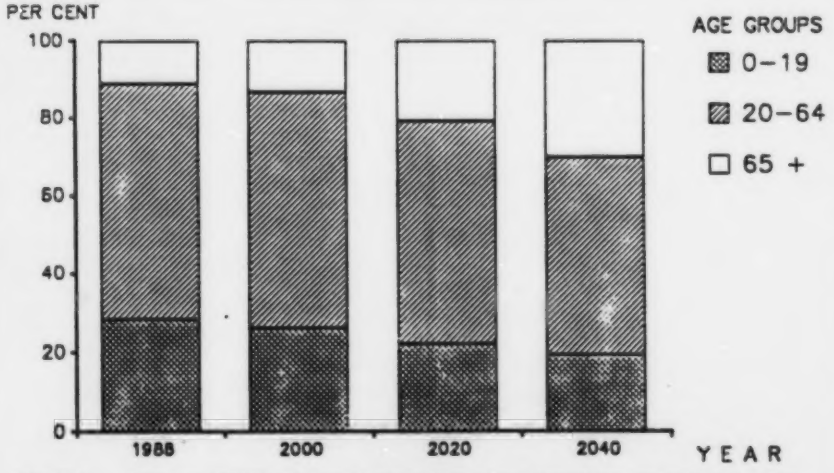
[2] *Legacies: Twenty-Sixth Annual Review (1989)*, Economic Council of Canada, Ottawa, 1989.

constant fertility rate and low net migration. The expectation is that population will continue to grow throughout the next 50 years, but will do so at a decreasing pace. Based on these projections Canada's population could break the 30 million mark by the year 2010, and reach 35 million by the year 2040. The rate of annual growth will have gradually slowed from 1.2 per cent in 1988 to 0.3 per cent in 2040.

A prominent demographic feature of change during the rest of this century and well into the next will be the further aging of the Canadian population. Whereas persons aged 65 and over currently account for about 11 per cent of the population, this proportion will likely rise to 21 per cent by about 2020 and to 30 per cent by 2040 (Chart 21), unless immigration policies change more dramatically.[1]

Increases in immigration levels over the next five years, as planned for by the Federal government, reaching 250 thousand persons annually by 1995,[2] are not by themselves large enough to make a significant impact on the long term trends (i.e., next four decades). However, if such immigration levels are sustained for the next couple of decades or so, they will no doubt have a large and direct impact on the age distribution, size and character of the Canadian population. For example, the population of Canada could, as a result of higher immigration levels, reach the 30 million mark much sooner than 2010. In any case and in view of the difficulty of predicting long term future fertility trends and immigration levels, these projections, which are heavily dependent on these components of population growth, must be considered tentative.

CHART 21: DISTRIBUTION OF THE POPULATION BY AGE GROUP, CANADA, 1988–2040



SOURCE: Chart by TEEGA Research Consultants Inc. based on projections by the Economic Council of Canada, assuming a constant fertility rate and low net migration.

[1] See *Annual Report to Parliament: Immigration Plan for 1991-1995*, October 1990, Employment and Immigration Canada, Ottawa.

[2] *Legacies: Twenty-Sixth Annual Review (1989)*, op.cit.

The growth of the elderly population of Canada leads to another important demographic characteristic of the future. Assuming no large increases in fertility rates,[1] there will be a gradual decline in the proportion of the population of working age (provided the retirement age cut-off stays at 65 years). The decline in the working age population is likely to occur once the generation born during the post-War baby boom begins to retire starting about 2011. At this time, the ratio of retirees to workers will begin to rise leading to some very significant implications in connection to health care, pensions and other needs of a relatively large elderly population. How well the country adjusts to this new demographic reality will primarily depend on its economic vitality, including strength of productivity and real income gains.

Canada shares the same problems related to the aging of society with all other western countries that have experienced post-World War baby booms and fertility rates below replacement levels. In fact, Canada actually has a "younger" population than the "old-world" European countries and will continue to have one, according to United Nations projections, until the year 2025.[2] This is also what is expected for the other new countries of the industrialized world (i.e., United States, Australia and New Zealand).

---

[1] This is a reasonable assumption to make given current evidence about fertility trends of Canadian-born women. Census data also indicate that fertility rates of foreign-born women are similar or lower than those of Canadian-born women (see T.John Samuel, *Immigration and Visible Minorities in the Year 2001: A Projection*, Working Paper No. 1, Centre for Immigration and Ethno-Cultural Studies, Carleton University, Ottawa, October 1987).

[2] United Nations, *Demographic Yearbooks*.

APPENDIX B
LIST OF REVIEW PAPERS

HOUSEHOLD AND FAMILY STRUCTURES

1 *Trajectoires démographiques et professionnelles: une analyse longitudinale des processus et des déterminants.* By Céline Le Bourdais et Hélène Desrosiers (Institut national de la recherche scientifique, Université du Québec à Montréal). Quebec, November 1988.

2 *Lives of Their Own: The Individualization of Adult Women's Lives.* By Charles Jones and Lorne Tepperman (University of Toronto). Ontario, October 1988.

3 *Les modes de vie nouveaux des adultes et leur impact sur les enfants au Canada.* By Nicole Marcil-Gratton (Université de Montréal). Quebec, October 1988.

4 *One-Adult and Two-Earner Households and Families: Trends, Determinants and Consequences.* By Thomas K. Burch and Kevin McQuillan (University of Western Ontario). Ontario, October 1988.
Part I: Living Alone in Canada (by Thomas K. Burch).
Part II: Family Change and Family Income in Canada (by Kevin McQuillan).
Appendix A: Kin Availability and the Living Arrangements of Older Unmarried Women: Canada, 1985 (by Douglas A. Wolf, Thomas K. Burch, and Beverly J. Matthews).
Appendix B: Family and Household Structure of Ethnic Groups in Canada: An Exploration of the 1985 General Social Survey (by Thomas K. Burch).
Appendix C: The Family Environment and Leaving the Parental Home (by Barbara A. Mitchell, Andrew V. Wister, and Thomas K. Burch).

5 *La formation de ménages chez les jeunes.* By Richard Morin, Damaris Rose, and Jaël Mongeau (Institut national de la recherche scientifique, Université du Québec à Montréal). Quebec, December 1988.

6 *Early Adulthood Behaviour and Later Life Course Paths.* By T.R. Balakrishnan and C.F. Grindstaff (University of Western Ontario). Ontario, October 1988.

7 *Religiously Unaffiliated Canadians: Demographic and Social Correlates of Secularization.* By Jean E. Veevers (University of Victoria) and Ellen M. Gee (Simon Fraser University). British Columbia, 1988.

POPULATION AND ECONOMIC GROWTH

8 *Fertility, Population, and the Economy: The Macro-Implications of Alternative Life Cycle Choices.* By Frank T. Denton and Byron G. Spencer (McMaster University). Ontario, October 1988.

9 *Demographie et productivite.* By Lapierre-Adamcyk, Pierre Lasserre, and Pierre Ouellette (Université de Montréal). Quebec, 1988.

10 *Is It Retirement or Unemployment? The constrained Labour Supply of Older Canadians.* By Lars Osberg (Dalhousie University). Nova Scotia, October 1988.

REGIONAL DEVELOPMENT AND MIGRATION

11 *L'impact de la migration sur le développement régional: la confrontation de deux courants de pensée.* By Geneviève Carel, William J. Coffey, and Mario Polèse (Institut national de la recherche scientifique, Université du Québec à Montréal). Quebec, October 1988.

12 *Demographic Change, Fiscally-Induced Migration, and Regional Economic Growth.* By William Watson (McGill University). Quebec, October 1988.

13 *Going Away ... and Coming Back: Economic Life and Migration in Bird Cove and Anchor Point.* By J.D. House (Memorial University of Newfoundland). Newfoundland, October 1988.

14 *Lords of the Arctic: Wards of the State. The Growing Inuit Population, Arctic Resettlement and their Effects on Social and Economic Change.* By Colin Irwin (Dalhousie University). Nova Scotia, 1988.

15 *Rural Depopulation and the Saskatchewan Economy.* By Brian D. MacLean (University of British Columbia), A.B. Anderson (University of Saskatchewan), and Peter S. Li (University of Saskatchewan). August 1988.

16 *An Exploration of the Micro-Foundations of Internal Migration in Manitoba.* By Greg Mason and Wayne Simpson (University of Manitoba). Manitoba, October 1988.

CHANGING CHARACTER OF THE SOCIETY

17 *Population Redistribution of the Elderly and Its Impact on Government Services and Government Financing*. By Eric Moore and Mark Rosenberg (Queen's University). Ontario, October 1988.

18 *L'impact de l'immigration internationale sur l'équilibre linguistique à Montréal*. By Calvin Veltman (Université du Québec a Montréal). Quebec, 1988.

19 *Immigration and the Changing Ethnic Mosaic of Canadian Cities*. By T.R. Balakrishnan (University of Western Ontario). Ontario, October 1988.

20 *The Role of Immigration in Changing Socio-Demographic Structures*. By Roderic Beaujot and J. Peter Rappak (University of Western Ontario). Ontario, October 1988.

21 *Ethnic-Religious Identity, Acculturation, and Social and Economic Achievement of Canada's Post-War Minority Populations*. By Warren E. Kalbach and Madeline A. Richard (Erindale College, University of Toronto). Ontario, October 1988.

22 *Support Networks Surrounding Future Older People: What May We Expect From Family Support?*. By Nicole Marcil-Gratton, Jacques Légaré (Département de démographie, Université de Montréal). Montreal, Quebec, October 1988.

23 *L'histoire matrimoniale et parentale des générations atteignant le seuil de la vieillesse d'ici l'an 2000*. By Yves Péron and Jacques Légaré (Université de Montréal). Quebec, November 1988.

24 *Aspects linguistiques de l'évolution démographique au Canada*. By Réjean Lachapelle (Statistique Canada) and Gilles Grenier (Université d'Ottawa). November 1988.

INTERNATIONAL POPULATION MOVEMENT

25 *The Political Economy of Canadian Immigration: International and Internal Forces Affecting the National Origins of Immigrants to Canada in the 1980's*. By Alan B. Simmons (York University). Ontario, October 1988.

26 *Politique natalistes Européennes et politique familiale Canadienne*. By George Mathews (Institut national de la recherche scientifique, Université du Québec à Montréal). Quebec, October 1988.